C2710-3

Automotive News®

April 23, 1990

©Entire contents copyright 1990, by Crain Communications, Inc. All rights reserved.
Reproduction or use of editorial content in any manner without permission is strictly prohibited.

65th year—$65.00 per year, $2.00 per copy

Ford-Marine Midland talk; dealers are key

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co.'s proposed acquisition of Marine Midland Automotive Financial Corp. could give the automaker unprecedented entry into competitive-make financing and add to its multi-faceted financial services status without a financial drain.

The deal, announced April 18, also would enable Ford to compete head-to-head with General Motors Acceptance Corp. and Chrysler Credit Corp. for GM and Chrysler dealers' business, as well as for import dealers' business.

But experts close to the deal say Ford could be walking a tightrope between its own dealer body and the companies that it could service under the former Marine Midland Automotive Financial Corp.

Marine Midland's auto arm already has contracts to provide private label financing services to Mazda, Saab, Sterling, Subaru and Jaguar dealers.

Ford plans to offer those Marine Midland clients service and rates comparable to those it offers to Ford and Lincoln-Mercury dealers.

"The trick for Ford will be for Ford Credit to make everyone that it serves happy — including competing manufacturers that it serves — and its customers," said Ronald Loshin, president Bank Lease Consultants in San Leandro, Calif.

Ford said it will emphasize its relationship with existing clients first and then contact other manufacturers' dealers on a "one-by-one" basis. Ford will file information with the Federal Trade Commission when an agreement is signed. A Ford attorney said the company anticipates no antitrust problems.

An agreement is expected in 30 days. The price was not disclosed.

Ford spokesman Jim Bright said Ford is interested only in acquiring the organization of Marine Midland Automotive Financial, including its 12 regional offices, equipment and 830-person staff. Not included is Marine Midland's $5 billion in automotive receivables. The $5 billion will stay with Marine Midland Bank.

The immediate impact on Ford's balance sheet is not known. Loshin said he expects Ford to install Ford

see MARINE, page 60

Being 'Earth friendly' is costly, dealers find

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Auto dealer Dick Strauss knows the kind of effort it takes to save the planet: He's just shelled out $27,000 for a machine that analyzes auto emissions, and he spends between $5,000 and $12,000 annually to have his dealership's toxic wastes hauled away.

Strauss, who owns Dick Strauss Ford-Isuzu-Suzuki in Richmond, Va., didn't march on Washington yesterday to mark the 20th anniversary of Earth Day. Yet he's proud of his contribution to a cleaner earth.

But at a time when dealers nationwide are scrapping to make a profit, Strauss and others are wrestling with how to cover the cost of complying with state and federal environmental regulations. And those requirements will become more stringent with th likely passage of a new clean air bill this year.

Strauss, who is not a big dealer, has hiked his labor charge by 3 to 4 percent to absorb the costs. At some point, he might have to list those charges on the bill so customers know why costs are up.

Strauss is not alone, says the National Automobile Dealers Association. A growing number of dealers are already passing on the cost of environmental equipment, said Douglas Greenhaus, a senior NADA attorney who specializes in regulation.

Manufacturers are also trying to demonstrate their environmental consciousness by forcing dealers to buy expensive equipment, such as stations that recycle chlorofluorcarbons used as air conditioning coolant. Those machines will not

see DEALERS, page 59

Roger's promise
GM Chairman Roger Smith in a Washington speech made a commitment to build an electric car similar to the Impact, pictured here. But the lack of a production timetable raises questions. Story on Page 59.

RANDY SANTOS

BATTERY JOLT: *Isuzu cell shocks industry; 30-second recharge claimed*

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

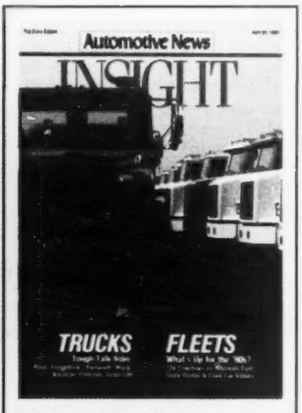
TOKYO — Isuzu Motors Ltd. has developed what it calls a "revolutionary" new type of battery, a new concept for storing energy, that is smaller and more powerful than existing batteries and can be recharged in 30 seconds.

Isuzu President Kazuo Tobiyama said the product will be on the market in two years, with models planned for both home and commercial use. It is still in the prototype stage.

Eventually, Isuzu said it can be a power source to run an electric car. But the first application will probably be for improved engine start ups in current vehicles.

Isuzu is 38.2 percent owned by General Motors Corp., which needs better battery technology before

see BATTERY, page 59



Fleets, trucks
The fleet business, the truck business, all combined in a special issue of Insight. See Insight following Page 34.

Acid rain has dealers seeing spots

Ford to begin coating cars to protect paint, ward off claims

By Francis J. Gawronski and Kathy Jackson
AUTOMOTIVE NEWS STAFF REPORTERS

The colored spots bloom atop the hoods, trunks and roofs of new cars that sit in acid rain and other airborne pollution.

"The situation is unbearable," said a Detroit-area Ford dealer. "You don't need a microscope to see them; it's a costly problem."

The paint problem costs Ford Motor Co. an estimated $60 million a year in dealer damage and consumer warranty claims, and other automakers face the same problem.

To fight back, Ford will spray the hoods, trunks and roofs of most of its vehicles with a special solution before they leave the factories. Beginning next month, most Ford assembly plants will be equipped with the spraying equipment.

J.P. King, manager of Ford's Parts and Service Division, wrote dealers that the waterborne, water-soluble coating should help protect the paint from pollutants that cause the spotting, primarily during shipment and dealer inventory storage periods.

Dealers will be compensated for removing the coating.

"We expect to have new paint enamels which are more resistant to environmental fallout by next summer," said Lee Miskowski, general manager of Ford's parts and service division. "In the meantime, this new transit coating, which was extensively tested last summer, will go a long way toward improving customer and dealer satisfaction with our paints."

Miskowski did not give further details about the new paints.

Bob Mowers, manager of coating and testing at General Motors' Tech Center in Warren, Mich., said the problem generally occurs between late summer and early fall in heavily polluted areas. He said the pollutants, mixed with dew and humidity, sometimes grind into the new paint and slightly eat away at it. He said the newer clear-coat paints, which are shiny and smooth, highlight the spots.

He agrees with Ford that the "best solution is for the industry to come up with materials more resis-

see PAINT, page 62

World Congress, Detroit auto show set a week later

The 1991 Automotive News World Congress will be held Jan. 13-16, a week later than in 1990.

World Congress, which brings together nearly three dozen top speakers from the auto industry, will run in conjunction with the North American International Auto Show in Detroit.

That show will also be pushed back a week next year to allow more time after the holidays. Press days for the Detroit show will be Jan. 8-10, and the public can attend Jan. 12-20.

Robert Thibodeau, the show co-chairman, said major manufacturers asked show organizers to move the date to allow more preparation time for displays. Thibodeau owns Bob Thibodeau Ford in Center Line, Mich. He said more international journalists will be able to attend the later show, organized by the Detroit Auto Dealers Association.

overcapacity pains
, while closing two U.S. assembly plants this year, is considering ductions in manufacturing capacity. Story on Page 3.

#26J••••••••••5-DIGIT 20814
#03032290B 2#01AN0175I 99BUZ
ACQ EDITOR SRI
ACQ EDITOR
CONGRESSIONAL INFO SERV
4520 EAST-WEST HWY STE8
BETHESDA MD 20814

VW, Mazda work on van deal, may include a mini for Europe

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Volkswagen AG and Mazda Motor Corp. are discussing possible joint European marketing of the new VW T4 van, and the two companies also may be interested in shared production and sales of a Mazda-designed minivan.

Mazda sources in Europe confirm talks are under way, though both sides deny a report that an agreement is held up only by opposition from German VW dealers.

The overdue T4 van will be introduced in late August and will go on sale late this year, according to a Volkswagen spokesman. It will replace the aging Transporter/Caravelle, sold in the United States as the Vanagon.

Sources say there are no agreements between Mazda and VW, only discussions. But according to German dealer publication *KFZ Betrieb*, a firm deal was snagged by objections from German dealers to giving Mazda's European retailers a version of the VW van.

The journal reported an agreement was due to be signed at the Geneva auto show, but joint marketing of the T4 proved to be a stumbling block. It said VW dealers are angry because the deal would diminish their T4 sales.

Under the reported agreement, VW dealers would sell the new van exclusively for two years after its debut. A Mazda-badged, VW-produced version would then be sold in Europe. Mazda would cease importing its E2000 van.

In turn, the journal said, Volkswagen would produce and sell its own version of a new Mazda minivan to compete in what is expected to become an important new segment in Europe. VW dealers might also sell a Mazda light truck.

A VW spokesman dismissed the report as speculation, saying it is "absolutely not true." But he would not rule out possible VW-Mazda discussions. "Everyone is talking with everyone," he said.

Ford Motor Co., which owns 25 percent of Mazda, is known to be studying joint development and production of a European minivan based on the VW Passat platform. The plan is said to call for annual production of 200,000 units, with each marketing half under its own name.

The two sides have acknowledged general talks without supplying details. A Ford of Europe spokesman said he was unaware of VW-Mazda discussions.

Meanwhile, Mazda insiders in Germany said the company will not sell its new MPV minivan in Europe because it is considered too large and fuel consumptive. Instead, he said, Mazda is considering a minivan for Europe.

Mazda and Ford acknowledge that they are studying possible joint projects in Europe. One recurring rumor is that they will build cars at Ford's Saarlouis, Germany, production site. A Mazda spokesman in Brussels, Belgium, said that does not rule out possible discussions with others, "but we can't specify them."

A spokesman for Mazda's German importer said the company expects to be producing cars in Europe by 1992. And Mazda may indeed choose a German site, he said, because Japanese makers that have chosen British production bases have encountered many supplier problems. "It will be a joint venture, though it is not clear with whom," he added.

Ford's print campaign includes a four-page gatefold cover in news weeklies beginning this month. An eight-page magazine insert appears in the May issues of 18 general-interest, women's and lifestyle magazines.

Ford calls Escort intro its most important ever

By Arlena Sawyers
AUTOMOTIVE NEWS STAFF REPORTER

Last night's debut of the Escort commercials on prime-time television kicked off what Ford Motor Co. calls its "most important launch of a new vehicle in the history of the company."

The two TV commercials feature engineering-types huddled around computers and sophisticated-looking equipment, plus footage of the all-new 1991 Ford Escort.

"That's how strongly we feel the success of Escort is to Ford Motor Co.," says John Vanderzee, Ford's advertising manager. "It's more important than going way back to Mustang, or the first Escort, or Taurus in 1986. We feel very strongly about the importance of it. "We have a car that is truly competitive with the small import cars of the world."

The new Escort officially goes on sale Thursday, although some dealers have had them for weeks.

It is targeted to "import intenders" and will compete directly with Japanese cars such as the Honda Civic and Toyota Corolla. Mazda Motor Corp., which did most of the development of the new Escort, is not mentioned in the advertising

The car will be aimed at an even split of men and women, average age 32, with an average household income of about $35,000.

Vanderzee said the campaign focuses on product content and quality rather than price.

"Buyer motivation for the current Escort centers around price, deal, warranty and value," Vanderzee said. The motivation for buyers of small import cars "centers around product content and quality."

The campaign focus is Escort's "high-tech design and precision engineering." The campaign was developed by Ford's ad agency, J. Walter Thompson in Detroit. The two 30-second commercials end with the familiar "Have you driven a Ford lately?" and carry a new theme line: "A new line of thought. A new line of cars."

Ford's print campaign includes a four-page gatefold cover in news weeklies beginning this month. An eight-page magazine insert appears in the May issues of 18 general-interest, women's and lifestyle magazines. The publications have a combined circulation of 37 million.

Robert J. Gillooly, Ford Division car advertising manager, said Ford will maintain a heavy media schedule for Escort for the rest of the year. In the next two months, 50 to 70 percent of Ford Division's total car advertising effort will be devoted to Escort, he said.

Ford's media mix is roughly two-thirds television and one-third print. Ford is spending a "negligible" amount to supplement its dealer associations' outdoor billboard and radio advertising.

Ford declined to disclose how much it is spending on the launch. *Advertising Age*, a sister trade publication to *Automotive News*, estimates the company is spending $65 million to $70 million.

Ford joins CBS' Winter Olympics advertising lineup

Ford has made a deal with CBS to purchase commercial time on the 1992 and 1994 Winter Olympics, says John Vanderzee, Ford's advertising manager. Ford joins Chrysler Corp., which signed earlier this year.

A CBS spokesman said Ford and Chrysler will be the only domestic car advertisers and that the network expects to sign three makers of imports. CBS expects to sell a total of $100 million worth of time in the automotive category, he added.

HIDDEN IMAGE: HANS G. LEHMANN

'92 Seville

Even with its greenhouse disguised with black masking, Cadillac's future Seville sports a substantially softer shape. It retains a V-8 and front-wheel drive.

Nissan's agency gets tight deal

By Jon Lafayette
CRAIN NEWS SERVICE

Nissan Motor Corp. USA is paying Chiat/Day/Mojo on a sliding scale ranging from an average 10 percent for the first $150 million in billings to 6 percent and less on additional spending.

The three-year compensation arrangement, part of Nissan's overall agreement with Chiat, was dated last Oct. 1 and was obtained by *Advertising Age*, a sister publication to *Automotive News*.

The Venice, Calif.-based agency gets those commission rates on media spending plus out-of-pocket expenses incurred servicing the account, including production costs. Agencies usually take a 16.75 percent markup on production costs.

The contract covers Nissan's national account; there is a separate agreement for Chiat's work for Nissan's major dealer associations.

Because of their sheer size, many carmakers spend more than $100 million with their agencies. Auto accounts are among the agency industry's most profitable pieces of business even though commissions are low.

Nissan's arrangement with Chiat isn't uncommon. General Motors Corp. recently completed a five-year program that gradually cut agency commissions to 9 percent from 15 percent during the 1990 model year. During the same period, GM's U.S. media spending rose 69 percent to $960 million, LNA/Arbitron Multi-Media Service figures show.

Industry executives estimated Chiat should be able to generate a $2 million profit before taxes on the account annually, based on spending at a $150 million rate.

Compensation was a controversial issue when Nissan was searching for a new agency to replace William Esty Co. of New York in 1987. Nissan reportedly sweetened its inital compensation before awarding the account to Chiat.

Chiat's sliding-scale Nissan commission

The three-year agreement between Nissan Motor Corp. USA and Chiat/Day/Mojo calls for Chiat to receive:

- A 12 percent commission on the first $50 million in spending.
- A 10 percent commission on the next $50 million.
- An 8 percent commission on the next $50 million.
- A 6 percent commission on the next $50 million.
- Plus 5 percent for any additional spending.

BMW executive arrested in son's murder

MUNICH, West Germany — Claus Luthe, the long-time chief stylist at BMW AG in Munich, has been arrested on suspicion of the murder of his 33-year-old son.

The 57-year-old Luthe allegedly stabbed his son, Ulrich, during a quarrel April 14 at Luthe's Munich home. Police said the son received multiple knife wounds.

Ulrich Luthe, who was known to have suffered from drug and alcohol abuse problems, recently returned to live with his father.

Luthe was arrested and is being held at a Munich hospital for psychiatric testing, according to a BMW spokesman. Doctors will report the findings to a Munich court in about three weeks.

The modest and reserved Luthe joined BMW as its chief stylist in 1976. He headed the teams which created the company's successful 5- and 7-series models as well as the new 850i coupe.

He supervises a staff of more than 100 employees. Early in his career, Luthe was responsible for the design of the NSU Ro80.

Corrections

- The April 16 editorial gave a wrong number for General Motors' first-quarter share of the U.S. car and light-truck market. GM actually gained 0.82 point to capture 35.63 percent of the vehicle market.
- Given names and titles were inadvertently omitted in two stories in the April 16 issue. A story on Page 2 should have referred to Yutaka Kume, president of Nissan Motor Co. A story on Page 6 should have referred to Jeff Cassell, general sales manager at Jerry's Mitsubishi in Baltimore.
- A story on Page 36 of the April 9 issue failed to provide the given name and title of Arthur Bryant, director of Trial Lawyers for Public Justice in Washington.

The L60, developed completely by IFA, is considered the East German truckmaker's most modern product.

Mitsubishi link rumored to end discord over M-B, E. German deal

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

LUDWIGSFELDE, East Germany — The new partnership between Mercedes-Benz AG and East German truckmaker VEB IFA Nutzkraftwagen Kombinat is running into opposition from federal monopoly authorities in West Germany.

With Mercedes already the world's largest maker of heavy trucks, cartel officials think the planned link with the East German commercial vehicles monopoly announced last month may concentrate too much of the German truck industry in one group.

Meanwhile, there are reports that Mitsubishi Motors Corp. may become involved in the partnership to relieve political pressure by involving a third party.

Wolfgang Kartte, head of the West German Cartel Office, has expressed concern, but no official action has been taken.

In response, Mercedes Vice Chairman Helmut Werner, who is responsible for truck operations, dismissed Kartte's concerns and said the relatively inefficient East German industries face a "catastrophe" without Western assistance in a market economy.

That view also is espoused by IFA General Director Lothar Heinzmann. While the IFA Kombinat has managed to engineer and develop a line of mid-range trucks on its own, he said IFA does not have the financial resources to modernize and needs a strong Western partner.

East German auto industry officials said Mitsubishi involvement could counter opposition from the Cartel Office.

But Heinzmann said Mitsubishi has not approached IFA. Indeed, he said he was "totally surprised" that there had been no inquiries from Japanese firms.

Asked if Mitsubishi involvement is possible, he said: "I can't say at this moment." Though Daimler-Benz AG has new links to Mitsubishi, a Mercedes spokesman dismissed talk of Mitsubishi involvement in the deal. "They don't need our help if they want to go into East Germany," he said.

Mercedes has agreed to design, produce and sell trucks with IFA. It will start supply a modified Mercedes cab for the 12-ton L60 model that Heinzmann said will arrive in mid-1991. East German sources say a successor for the L60 is also planned.

Though it produces only 40,000 trucks annually, IFA is a huge combine that operates 24 plants, employs 55,000 people and is more than 90 percent vertically integrated -- extremely high even by Western European standards.

Heinzmann said IFA's high level of vertical integration is among its chief problems. The L60, considered its most modern product, was developed completely by IFA.

The revised L60 with a Mercedes cab will retain the existing IFA engine, transmission, axle and other major components. "But we want to develop all components further," Heinzmann said.

IFA produces commercial vehicles in the two- to 12-ton range. The Soviet Union has supplied heavy trucks to East Germany.

Volvo GM moves Class 7 assembly to U.S. for component flexibility

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Volvo GM Heavy Truck Corp. will shift assembly of its Class 7 Volvo FE tractors and trucks from Ghent, Belgium, to its Orrville, Ohio, plant in January 1991.

Thage Berggren, Volvo president and chief executive officer, said the switch will allow the firm to offer more component flexibility, which will increase customer appeal.

Assembling the vehicles in the United States also will reduce Volvo GM Heavy Truck costs.

The U.S.-built models, the Volvo FE42 and FE42T, will have cabs fabricated in Sweden by Volvo and will offer the choice of an integrated Volvo drivetrain or one comprised of U.S. components.

The vehicles will look very similar to the current Volvo FE6 and FE7 models, Berggren said.

The FEs are cabover models, geared to urban or intracity delivery and short regional deliveries.

Cabovers generally account for a 10- to 12-percent share of the Class 7 market, which is dominated by conventional-design trucks.

Volvo GM Heavy Truck retailed 1,112 of the Class 7 FE vehicles last year.

Ford Heavy Truck Operations also plans to shift production of its medium-duty cabover Cargo models from Brazil to Louisville, Ky., in early 1991.

For 1991, Freightliner Corp. is planning a new line of medium-duty Mercedes-Benz trucks with a U.S. design and heavier U.S. component content.

MARCH TRUCK SALES BY MANUFACTURER AND SEGMENT

		14,000 & LESS GVW CLASS 1-3	14,001-16,000 GVW CLASS 4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1990	TOTAL 1989
CHRYSLER-PLYMOUTH	MO	12,429						12,429	16,772
	YR	51,649						51,649	44,522
DODGE	MO	42,838						42,838	50,572
	YR	138,296						138,296	135,572
JEEP	MO	18,398						18,398	20,475
	YR	52,271						52,271	56,558
TOYOTA	MO	23,195						23,195	21,375
	YR	59,905						59,905	56,037
NISSAN	MO	20,217						20,217	16,897
	YR	42,248						42,248	46,074
MAZDA	MO	9,971						9,971	8,411
	YR	20,694						20,694	21,504
ISUZU	MO	11,604						11,604	8,313
	YR	26,584						26,584	21,812
MITSUBISHI	MO	3,642						3,642	3,648
	YR	11,033						11,033	9,911
SUZUKI	MO	1,600						1,600	3,124
	YR	4,244						4,244	7,506
RANGE ROVER	MO	360						360	355
	YR	1,095						1,095	1,191
DAIHATSU	MO	484						484	0
	YR	1,025						1,025	0
FORD	MO	124,314	2,661		443	2,206	1,249	130,873	134,161
	YR	334,559	6,807		1,167	6,772	3,164	352,469	360,476
FREIGHTLINER	MO						2,126	2,126	2,146
	YR						6,098	6,098	6,012
CHEVROLET	MO	117,398		37	609	614		118,658	119,913
	YR	314,379		86	1,903	1,879		318,247	306,719
GMC	MO	29,505		270	388	1,584		31,747	33,699
	YR	79,034		912	1,132	3,419		84,497	88,195
OLDSMOBILE	MO	1,830						1,830	
	YR	4,808						4,808	
PONTIAC	MO	2,583						2,583	
	YR	6,315						6,315	
KENWORTH	MO					70	1,279	1,349	1,692
	YR					127	3,779	3,906	4,424
MACK	MO				144	192	1,512	1,848	2,359
	YR				354	472	3,396	4,222	5,899
MERCEDES-BENZ	MO				41	99		140	180
	YR				121	263		384	462
NAVISTAR	MO			11	1,401	2,374	2,047	5,833	6,788
	YR		7	27	3,142	7,423	6,139	16,738	18,133
PETERBILT	MO					37	1,019	1,056	1,505
	YR					121	3,053	3,174	4,215
VOLVO/GM HEAVY	MO					68	1,267	1,335	1,651
	YR					174	3,180	3,354	4,284
HINO	MO	50		68	95	144		357	273
	YR	101		129	195	317		742	593
NISSAN DIESEL	MO	115		145	74	87		421	333
	YR	221		268	131	160		780	661
ISUZU TRUCK	MO	760	67	54	387	59		1,327	830
	YR	1,758	168	93	716	161		2,896	2,294
MITSUBISHI FUSO	MO	189		66	23	67		345	453
	YR	466		184	62	168		880	956
SCANIA	MO						11	11	4
	YR						33	33	17
IVECO TRUCKS	MO	136	47	22	15			220	252
	YR	326	105	45	33			509	525
WESTERN STAR	MO						93	93	137
	YR						243	243	359
OTHER DOMESTICS	MO						64	64	49
	YR				34	1	169	204	239
GRAND TOTAL, 1990	MO	421,618	2,775	673	3,620	7,601	10,667	446,954	456,367
	YR	1,151,011	7,087	1,744	8,990	21,457	29,254	1,219,543	1,205,150
1989 YR to DATE		1,128,877	7,185	1,838	9,956	22,425	34,869	1,205,150	

NOTE: Class 1-3 reported by individual manufacturers. Class 4-8 reported by Motor Vehicle Manufacturers Association.

AROUND THE WORLD

Subaru showoff

A prototype of the next generation Subaru XT Coupe, which was quickly snapped in the left photo, reveals it is very similar to the SVX show car, right photo, which debuted at last year's Tokyo Auto Show. Carryovers include the unusual window-within-a-window side glass. The SVX sports a 3.3-liter, 24-valve flat six engine and includes full-time four-wheel drive, anti-lock brakes, electrically steered rear wheels and active suspension. U.S. introduction of the XT Coupe is expected in the 1991 model year.

HIDDEN IMAGE/HANS G. LEHMANN

VW leads as Europe sets 1st-quarter sales record

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — West European new-car sales set a record in the first quarter as they rose 1.8 percent over last year's total, the previous peak.

Three of the four major national markets registered gains over 1989.

Sales climbed to 3,721,500 in the three-month period, according to industry estimates compiled by *Automotive News*. March sales were up 1.2 percent at 1,354,100 units.

The full-year sales total last year was a record 13.4 million.

Volkswagen group, including the VW, Audi and Seat brands, edged past Fiat Auto group in the first quarter. Likewise, the West German market surpassed Italy in 1990 sales.

VW rose 4 percent to 535,400 in the quarter, while Fiat Auto's Fiat, Lancia and Alfa Romeo marques declined 8.9 percent to 532,400. VW captured 14.4 percent of the new-car market, compared to Fiat's 14.3 percent.

A 5.5 percent increase in Volkswagen brand sales to 359,400 and a 4.8 percent climb in Seat volume to 81,400 offset Audi's 1.7 percent first-quarter dip to 94,600. VW group sales in March increased 2.8 percent to 203,400.

Fiat, which was up 6.1 percent to 204,900 in March, has in recent years led the European sales race through the early months before surrendering the lead to VW in the second half. Last year, VW moved into first place in August and went on to edge its Italian rival.

John May of Automotive Industry Data Ltd. in Great Britain said Fiat has been held back this year by capacity constraints.

Peugeot S.A., including Automobiles Peugeot and Automobiles Citroen, was third in the first quarter with 475,700, down 5.1 percent from last year. But Peugeot group's 12.8 percent market share for the period was ahead of its 12.7 percent for the full 1989 calendar year.

General Motors, which has been fifth in sales in Europe for several years, edged past Ford Motor Co. into the fourth slot in the first quarter. GM sales totaled 418,800, a 4.2 percent increase over the same period last year and an 11.3 percent share.

Ford's three-month total was 407,700, a 0.7 percent decline from last year and an 11 percent market share. Regie Nationle des Usines Renault followed with three-month sales of 383,300, good for a 10.3 percent market share and a 3.6 percent year-to-year gain.

Taken together, first-quarter sales of Japanese cars rose 2.2 percent this year to 380,100 for a 10.2 percent market share, compared to 10.9 percent for all of 1989. The biggest gainer among the Japanese in the first quarter was Honda, whose 20.4 percent sales increase to 38,300, gave it 1 percent of the market. Honda's gain also was the biggest among companies ranked in the top 20 in European sales.

Mazda, the only other make with growth in double figures this year, was up 11.8 percent in the quarter to 68,000. Europe's biggest first-quarter sales decline in percentage terms was Saab's 13.2 percent drop to 16,400.

West Germany, Europe's largest market, was up 4.9 percent to 742,200 in the first quarter. German sales rose 0.3 percent in March to 307,500. May said the opening of Eastern Europe will have an indirect impact on markets like West Germany where used-cars are being snapped up by consumers from neighboring Eastern European countries.

"It will stimulate the new-car markets some if people get a good deal on their trade-ins," he said.

The Italian market, which was tops in Europe in January and February, rose 5.3 percent to 740,400 for the quarter with a 9.1 percent surge to 246,200 units in March. French sales have also been strong in 1990, increasing 10.8 percent to 649,100 for the quarter and up 6.8 percent to 223,300 in March.

But the United Kingdom continued to falter, dropping 5.6 percent to 208,700 in March and finishing the first quarter down 7.7 percent at 582,500. The decline is attributed to economic concerns traced to tightened monetary policies.

The Spanish market, which boomed in the second half of the 1980s, also slipped. Sales were down 9.7 percent to 99,000 last month, and volume for the first quarter in Spain dipped 10.7 percent to 262,300.

NEW-CAR SALES BY COUNTRY IN EUROPE

Country	3 Months 1990	Pct. change vs. 1989
Germany	742,200	+ 4.9
Italy	740,400	+ 5.3
France	649,100	+10.8
United Kingdom	582,500	– 7.7
Spain	262,300	–10.7
Netherlands	175,500	+ 1.0
Belgium-Luxembourg	156,500	+12.4
Switzerland	87,300	– 1.1
Austria	77,800	+ 6.5
Sweden	67,700	– 8.9
Portugal	50,000	–16.7
Finland	40,900	–22.2
Ireland	27,700	+ 9.6
Denmark	23,200	+ 7.4
Greece	22,600	+47.4
Norway	15,800	+33.4
Total	3,721,500	+ 1.8

EUROPEAN SALES

Manufacturer	3 Months 1990	1990 share*	3 Months 1989	Volume change '90 vs. '89
Volkswagen	535,400	14.4	514,700	+ 4.0
Fiat Auto**	532,400	14.3	584,200	– 8.9
Peugeot S.A.***	475,700	12.8	501,200	– 5.1
General Motors****	418,800	11.3	401,800	+ 4.2
Ford	407,700	11.0	410,400	– 0.7
Renault	383,300	10.3	369,900	+ 3.6
Mercedes-Benz	117,400	3.2	118,700	– 1.1
Rover	110,300	3.0	111,900	– 1.4
BMW	101,300	2.7	104,700	– 3.2
Nissan	94,500	2.5	102,900	– 8.2
Toyota	86,400	2.3	85,200	+ 1.4
Volvo	69,900	1.9	74,900	– 6.7
Mazda	68,000	1.8	60,800	+11.8
Mitsubishi	42,700	1.1	41,900	+ 1.9
Honda	38,300	1.0	31,800	+20.4
Lada	28,000	0.8	30,000	– 6.7
Suzuki	24,600	0.7	23,000	+ 7.0
Saab	16,400	0.4	18,900	–13.2
Subaru	13,200	0.4	13,800	– 4.3
Daihatsu	11,000	0.3	11,400	– 3.5
Others	146,200	3.9	44,300	+230.0
Total	3,721,500	100.0	3,656,400	+ 1.8

*Does not add to 100 because of rounding
**Includes Alfa Romeo, Lancia
***Peugeot, Citroen, Talbot
****Opel, Vauxhall, Isuzu, GM U.S./Canada

Interest rates batter British dealer profits

By Daniel Ward
STAFF CORRESPONDENT

LONDON — Sky-high interest rates, a declining new-car market and falling used-car values are taking a heavy toll on the profits of Britain's car dealers.

Although sales set a record in 1989, the British market slowed last autumn. Registration statistics show sales down 7.7 percent for the first quarter, compared with the January-March period of 1989.

Interest expense trebled last year for many of the major dealer groups listed on the London Stock Exchange. In many cases, that cut profits in spite of high sales, particularly in the first half of 1989.

Despite disappointing profits in 1989, Jardine Matheson, an international trading house, increased its 60 percent share in Lancaster plc to 100 percent. Lancaster owns Porsche, Mercedes-Benz, Jaguar, Ferrari and BMW dealerships.

One of the largest publicly owned groups, TKM plc, managed to increase profits. It also announced a £100 million ($165 million) takeover bid for Western Motor Holdings plc.

TKM wants to add to its 75 dealerships and import franchises for Daihatsu, Ferrari, Mazda and FSO. Western's portfolio includes the Lada and Proton franchises in addition to dealerships and other operations.

BRITISH DEALER PROFITS SLUMP

	Sales (millions)		Pre-tax profits (millions)	
	1988	1989	1988	1989
Appleyard	£327	£414	£9.0	£11.1
BSG	£539	£639	£23.1	£23.4
T Cowie	£462	£550	£25.1	£16.1
Lancaster	£150	£188	£4.4	£3.3
Perry Group	£304	£343	£8.4	£5.0
Evans-Halshaw	£292	£401	£10.0	£9.2
TKM	£985	£1,070	£42.6	£52.6
Lex Service*	£868	£1,023	£35.0	£36.8

*Interim Fiscal year of each company varies.
The British pound has traded between $1.61-$1.65 during the past few months.

Swedes rank Sierra most trouble-free

By Stig Bjorklund
SPECIAL CORRESPONDENT

STOCKHOLM, Sweden — For the first time in many years, a European car, the Ford Sierra, has topped a Japanese model in Sweden's annual listing of trouble-free cars.

Sierra recorded only 17 faults, mostly trivial ones, per 100 1987 cars inspected by *Svensk Bilprovning*, the Swedish national testing agency for vehicles. In doing so, Sierra beat the Mazda 626, Mazda 323 and Toyota Camry by small margins. They were followed by the Volvo 740 GLE and Opel Ascona.

Two other European vehicles, the Opel Corsa and Saab 9000i, and the Honda Civic and Honda Accord from Japan managed to land on the top 10 list. All had fewer than 20 faults per 100 cars.

Svenska Bilprovning's average result was 33 faults per 100 cars. The worst car, the Fiat Croma, showed 88 faults per 100. Surprisingly, many faults were also noted for the Mercedes-Benz 200 (69), Peugeot 205 (68), Volkswagen Passat (66) and Saab 900 (65).

The testing organization last year inspected 3.9 million vehicles, of which 3.1 million were passenger cars.

Nationwide, the Japanese retained the lead. The average number of faults per 100 cars inspected for the five best Japanese cars was 15.4, compared with 18.2 for West Germany, 26.0 for Sweden, 38.6 for the Netherlands (three models only) and 50.8 for the best five cars from France. Italian cars, with only Fiat Uno and Fiat Croma on the list, had an average of 62.5 faults per 100 cars inspected.

Big-truck dealers see rays of hope in bleak year

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

PHOENIX, Ariz. — Last year wasn't an outstandingly profitable one for medium-and heavy-truck dealers.

But as TRX-90, the American Truck Dealers 27th annual convention and exposition, gets under way, 1990 is beginning to look pretty good to dealers who have been operating in a sales trough.

If the market turns up in the latter half of this year, as many industry officials have predicted, dealers could still end up pretty close to 1989's profit level.

But a heavier concentration on service, parts and used-truck sales will also be required.

American Truck Dealers, a division of the National Automobile Dealers Association, is still predicting 125,000 Class 8 retail sales in calendar 1990, down from sales of 145,068 in 1989.

Frank Prezelski, an analyst with Rothschild Inc. of New York, feels sales could reach 130,000, depending on how much pre-buying major fleets do to beat the price increases that will result from tougher emissions standards on 1991 models.

Cummins Diesel Engine Co. of Columbus, Ind., the industry's price leader with 46.85 percent of the North American Class 8 market, will raise prices about $1,000 to $1,500 to comply with the standards, Prezelski noted.

If the market moves upward, as reports from some major fleet buyers now indicate, pre-buying could easily add an extra 12,000 sales in the second half of this year.

The more conservative 125,000-unit sales projection also includes a moderate amount of pre-buying.

Currently, heavy-truck orders are 7,000 to 8,000 units a month. A surge of pre-buying would increase orders more than 50 percent in May, June and July for trucks that will be delivered in October, November and December.

It normally takes three to four months to deliver a heavy truck after it is ordered.

Meanwhile, Fred Stevenson, manager of ATD Consulting Services of McLean, Va., pointed out that total sales of dealer operations were up, while their profits were down slightly last year.

"It means they had to work harder for what they got. There was a profit squeeze, which is always the way it is when things tighten up," Stevenson said.

ATD Consulting Services handles American Truck Dealers' 20 Groups, which include 136 dealers. Each group consists of about 20 dealers with similarly sized dealerships that handle similar products. The groups meet regularly to discuss all facets of their business.

Last year's profit squeeze was most evident in new-truck grosses, which were off after increasing in 1988. But dealers reported better used-truck grosses.

They also did a better job in key categories like parts, labor and warranty sales, all of which were up for the year.

Overall, average monthly pre-tax profit as a percent of sales for 20 Group dealers dropped to 1.9 percent from 2.2 percent in 1988. It was just slightly ahead of 1.8 percent in 1987.

They averaged $30,191 a month in profit before taxes in 1989, based on the 1.9 percent rate of return and monthly average sales of $1,589,000.

That compared to $33,400 a month in pre-tax profit in 1988, based on a 2.2 percent rate of return and monthly average sales of $1,518,200.

Dealers' average monthly gross income before deducting expenses rose to $233,200 from $216,500 in 1988, indicating that they did more business.

But their cost of doing business increased, as indicated by average monthly expenses, which climbed to $208,200 from $190,900 in 1988.

Expenses as a percent of gross profit increased to 95.4 percent from 93.8 percent the previous year. They had been on the wane. The increase indicates dealers still have their work cut out in controlling expenses.

On a brighter note, dealers' parts, labor and warranty sales climbed sharply to $443,600 a month from $390,300 in 1988, indicating more backshop activity.

Their used-truck business also improved. Dealers sold an average $166,200 worth of used vehicles monthly compared to $153,000 in 1988.

The slide in new-truck sales is evident from the $952,800-a-month average posted for 1989 compared to the $959,300 average of a year earlier.

American Truck Dealers is continuing to recruit new dealers and hopes to have 150 dealers in its 20 Groups by the end of 1990.

Ron Schonscheck will become ATD dealer management consultant, working with Stevenson, effective May 1.

TRUCK DEALERS' PROFITS CLIMB
Average monthly results for medium- and heavy-truck dealerships

	1989	1988	Percent change
Total Sales	1,589,000	1,518,200	+ 4.46
New trucks	952,800	959,300	– 0.68
Used trucks	166,200	153,000	+ 7.94
Parts	304,800	272,500	+10.60
Labor	104,000	90,300	+13.17
Warranty	34,800	27,500	+20.98
Expenses*	208,200	190,900	+ 8.31
As % of sales	14.6	13.6	—
As % of gross profits	95.4	93.8	—
Gross Profit	233,200	216,500	+ 7.16%
New-truck gross	56,215	59,500	– 5.84
As % of new-truck sales	5.9	6.2	—
Used-truck gross	13,628	12,100	+11.21
As of % of used-truck sales	8.2	7.9	—
Pre-tax Profit	30,191	33,400	–10.63
As % of sales	1.9	2.2	—
Assets	5,568,800	4,783,800	+14.10
Return on assets	6.7	8.7	—
Net Worth	1,403,100	1,318,100	+ 6.06
Return on net worth	28.6	30.4	—

SOURCE: American Truck Dealers division, NADA
*Does not include cost of goods sold
Note: ATD's numbers don't add to their totals because they are computed by averaging averages, i.e., the highest and lowest dealer amounts in each category are discounted to take away aberrations and smooth out the totals.

Ron Schonscheck will become ATD dealer management consultant, effective May 1.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT
OF ILLINOIS
UNITED STATES OF AMERICA,
Plaintiff,
v.
E.I. du PONT de NEMOURS AND COMPANY, et. al.
Defendants.

Civil Action Number 49-C-1071

TAKE NOTICE that E.I. du Pont de Nemours and Company ("Du Pont") a defendant in this action, has filed a motion for an order terminating the Final Judgment in this antitrust action, which was entered in March 1, 1962. The plaintiff, the United States of America, ("Government"), has consented to the entry of such an order, but has reserved the right to withdraw its consent for at least seventy (70) days after the publication of the notice.

The complaint in this case (filed on June 30, 1949, and later amended in 1952 and again in 1953) alleged, *inter alia*, that Du Pont had gained an illegal preference over its competitors in the sale of automotive finishes and fabrics to General Motors Corporation ("GM"), also a defendant therein, due to the acquisition during 1917-1919 by Du Pont and related parties of 23% of GM's common stock. The acquisition was asserted to violate Section 7 of the Clayton Act and Sections 1 and 2 of the Sherman Act. The complaint was dismissed by the district court after trial, which decision was reversed on appeal by the Supreme Court which directed that all of the GM stock held by Du Pont, Christiana Securities Company ("Christiana") and related parties be completely divested.

The Final Judgment required that Du Pont, Christiana, various members of the du Pont family and certain other individuals divest themselves of all GM stock, enjoined them from future acquisitions of such stock, prohibited Du Pont and GM from entering into any requirements contracts until the offending GM stockholdings had been divested, and forbade various interlocking relationships among the defendants. While most of its operative provisions have already expired, the Final Judgment, as presently in effect, still enjoins: (1) Du Pont and Christiana from acquiring GM stock; and (2) certain interlocking relationships between Du Pont and Christiana on the one hand and GM on the other.

The Government has filed with the court a memorandum setting forth the reasons why the Government believes that termination of the Final Judgment would serve the public interest. Copies of the complaint and Final Judgments, Du Pont's motion papers, the stipulation containing the Government's consent, the Government's memorandum and all further papers filed with the court in connection with this motion will be available for inspection at Room 3233, Antitrust Division, Department of Justice, 10th Street and Pennsylvania Avenue, N.W., Washington, D.C. 20530 (telephone 202-633-2481), and at the Office of the Clerk of the United States District Court for the Northern District of Illinois, Eastern Division, 219 Dearborn Street, Chicago, Illinois 60604. Copies of any of these materials may be obtained from the Antitrust Division upon request and payment of the copying fee set by Department of Justice regulations.

Interested persons may submit comments regarding the proposed termination of the decrees to the Government. Such comments must be received within the sixty-day period established by court order, and will be filed with the court by the Government. Comments should be addressed to P. Terry Lubeck, Chief, Litigation II Section, Antitrust Division, Department of Justice, Washington, D.C. 20001 (telephone: (202) 724-7966).

* * * *

Police in Sault Ste. Marie, Ontario, flag down a passing car in their hunt for alcohol-impaired drivers. As many as 80 Ontario police departments will be leasing Axxess vans for spot checks and school programs.

Nissan, Canadian dealers offer cut-rate Axxess lease to police

MISSISSAUGA, Ontario — Nissan Canada Inc. and its dealers have begun subsidizing Axxess leases in a program that could reach as many as 80 police departments in Ontario.

The departments will pay $100 ($86 U.S.) a month to use the small vans in school safety programs and spot checks for drunken drivers. Nissan and participating dealers will pay the remaining portion of the lease cost.

The Axxess leases for about $400 ($343 U.S.).) per month in Canada.

John Bates, president of People to Reduce Impaired Driving Everywhere, called Nissan's move "a display of corporate altruism that's unmatched."

Work under way on office park at former Camaro-Firebird plant

NORWOOD, Ohio — Construction of a $100 million office park has begun on the site where a General Motors assembly plant closed in 1987.

GM was Norwood's largest employer when it closed the 4,300-employee plant. The plant assembled Chevrolet Camaro and Pontiac Firebird models.

The developer is Belvedere Corp. of Cincinnati. Belvedere said Star Banc Corp., also based in Cincinnati, will be the first major tenant of the Central Parke complex.

Star Banc plans to move retail and credit card operations into a 40,000-square-foot building.

Belvedere officials said two other office buildings will be built. Those buildings and the Star Banc building are expected to be ready for occupancy in January 1991.

— The Associated Press

Honda and Rover finalize terms of United Kingdom collaboration

NEW YORK — Honda Motor Co. and Rover Group have formally agreed on the terms of the collaboration that the two companies plan for the United Kingdom.

Tadashi Kume, president of Honda, and Sir Graham Day, chairman of Rover, signed the agreement in New York April 14.

Honda will become a 20 percent owner of Rover's £520 million ($853 million) equity. Rover is a member of the British Aerospace plc group.

In return, Rover will take a 20 percent share in Honda's British manufacturing arm, Honda of the UK Manufacturing Ltd.

At present, Honda of the UK Manufacturing is capitalized at £60 million ($98 million), but that will be increased to £370 million ($607 million) by 1993. To make up the balance, Honda will pay £30 million ($49 million) in cash to Rover.

Shoichiro Irimajiri, a Honda senior managing director, will join the Rover board. John Towers, Rover's product development director, will join the board of Honda of the UK Manufacturing.

Collaboration between the two companies dates back to 1979.

Honda's British plant at Swindon will be capable of producing 100,000 cars a year. It will start manufacturing a new range of cars in late 1992.

Honda said Swindon-produced cars will meet European requirements on local content.

AUCTION DIRECTORY

GEORGIA

Atlanta Auto Auction
4900 Buffington Rd., Red Oak, Ga. 30272 • (404) 762-9211

20
YEARS
SERVING THE FLEET LEASE INDUSTRY

- FULL SERVICE FLEET LEASE DEPARTMENT
  (Specializing in fleet lease, daily rental sales)
- FULL RECON AND BODY SHOP FACILITY
- GUARANTEED CHECKS
- 3 SPECIAL FLEET, LEASE LANES
- FIVE MINUTES FROM ATLANTA'S HARTSFIELD AIRPORT
  (Direct flights from all major cities)
- SURROUNDED BY FOUR MAJOR INTERSTATES
- FAX LINE — (404) 762-7869

FOR INFORMATION, HOTEL ACCOMMODATIONS
FREE AIRPORT PICKUP
CALL 404-762-9211

You can get spirited bidding, higher prices and more cars sold when you advertise your auction in Automotive News Auction Directory.

AUCTION DATES

Chrysler Motors

April 24 — Hatfield Auto Auction, Hatfield, Penn.; American Auto Auction, Walpole, Mass.; Arena Auto Auction Inc., Bolingbrook, Ill.; Utah Auto Auction Inc., West Bountiful, Utah; South Seattle Auto Auction Inc., Kent, Wash.; Greensboro Auto Auction Inc., Greensboro, N.C.; and San Antonio Auto Auction, San Antonio, Texas.

April 25 — Auto Dealers Exchange of Birmingham, Moody, Ala.; Butler Auto Auction, Gibsonia, Penn.; and Denver Auto Auction, Aurora, Colo.

April 26 — Northway Auto Exchange Inc.; Clifton Park, N.Y.; Aptco Auto Auction Inc.; Taylor, Mich.; Omaha Auto Auction, Omaha, Neb.; Golden Gate Auto Auction, Fremont, Calif.; and Ark-La-Tex Auto Auction Inc.; Shreveport, La.

April 27 — Manheim Auto Auction, Manheim, Pa.

Ford Motor Co.

April 24 — Ohio Auto Auction Inc., Grove City, Ohio; Harrisonburg Auto Auction, Harrisonburg, Va.; and Bay Cities Auto Auction Inc., Hayward, Calif.

April 25 — Albuquerque Auto Auction, Albuquerque, N.M.; Texas Hobby Auto Auction, Houston; Metro Auto Auction of Kansas City, Lee's Summit, Miss.; and Greater Tampa Bay Auto Auction, Tampa, Fla.

April 26 — Auto Auction of Billings, Billings, Mont.; Denver Auto Auction, Aurora, Colo.; Nashville Auto Auction, Nashville, Tenn.; and Skyline Auto Exchange, Fairfield, N.J.

General Motors

April 24 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction Inc., Grand Prairie, Texas; Manheim Auto Auction, Manheim, Penn.; Florida Auto Auction, Ocoee, Fla.

April 25 — Atlanta Auto Auction, Red Oak, Ga.; Clayton's Auto Auction, Darlington, S.C.; Southern California Auto Auction, Fontana, Calif.; Omaha Auto Auction Inc.; Omaha, Neb.; Mississippi Auto Auction Inc., Hattiesburg, Miss.

April 26 — Southwest Auto Auction, Chandler, Ariz.; Mid-Ark Auto Auction, North Little Rock, Ark.; Arena Auto Auction Inc., Bolingbrook, Ill.; Columbus Fair Auto Auction, Columbus, Ohio; St. Louis Auto Auction, Bridgeton, Mo.

April 27 — St. Louis Auto Auction, Bridgeton, Mo.

May 1 — Auto Dealers Exchange of Birmingham, Moody, Ala.; Harrisonburg Auto Auction, Harrisonburg, Va.; National Auto Dealers Exchange, Bordentown, N.J.; Florida Auto Auction of Orlando, Ocoee, Fla.; and San Antonio Auto Auction, San Antonio, Texas.

May 2 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Inc., Lee's Summit, Mo.; Minneapolis Northstar Auto Auction Inc., Shakopee, Minn.; Golden Gate Auto Auction, Fremont, Calif.; and Statesville Auto Auction, Statesville, N.C.

May 3 — Amarillo Auto Auction Inc., Amarillo, Texas; Denver Auto Auction, Aurora, Colo.; Aptco Auto Auction Inc., Taylor, Mich.; Butler Auto Auction, Gibsonia, Pa.; Big H Auto Auction, Houston, Texas; Nashville Auto Auction, Nashville, Tenn.; and State Line Auto Auction, Waverly, N.Y.

May 4 — Metro Auto Auction of Kansas City Inc., Lee's Summit, Kan.

May 8 - Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction Inc., Grand Prairie, Texas; Fresno Auto Dealers Auction, Fresno, Calif.; Manheim Auto Auction, Manheim, Pa.; Florida Auto Auction of Orlando, Ocoee, Fla.; and Auto Dealers Exchange of Tuscon, Tuscon, Ariz.

May 9 - Alburquerque Auto Auction Inc., Alburquerque, N.M.; Atlanta Auto Auction, Red Oak, Ga.; Puget Sound Auto Auction, Auburn, Wash.; Baltimore-Washington Auto Exchange Inc.; Baltimore, Md.; Clanton's Auto Auction, Darlington, S.C.; South California Auto Auction, Fontana, Calif.; Mississippi Auto Auction Inc., Hattiesburg, Miss.; and Omaha Auto Auction Inc., Omaha, Neb.

May 10 — Mid-Ark Auto Auction, North Little Rock, Ark.; Arena Auto Auction Inc., Bolingbrook, Ill.; Columbus Fair Auto Auction, Columbus, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; and Utah Auto Auction, West Bountiful, Utah

May 15 — Auto Dealers Exchange of Birmingham, Moody, Ala.; Harrisonburg Auto Auction, Harrisonburg, Va.; Florida Auto Auction of Orlando, Ocoee, Fla.; Metro Milwaukee Auto Auction, Milwaukee, Wis.; National Auto Dealers Exchange, Bordentown, N.J.; and Auto Auction of Billings, Billings, Mont.

May 16 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City Inc., Lee's Summit, Mo.; Minneapolis Northstar Auto Auction Inc., Shakopee, Minn.; Golden Gate Auto Auction, Fremont, Calif.; and Statesville Auto Auction, Statesville, N.C.

May 17 — Denver Auto Auction, Aurora, Colo.; Aptco Auto Auction Inc., Taylor, Mich.; Butler Auto Auction, Gibsonia, Pa.; Big H Auto Auction, Houston, Texas; Nashville Auto Auction Inc., Nashville, Tenn.; and Portland Auto Auction, Portland, Ore.

May 22 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Dallas, Texas; Manheim Auto Auction, Manheim, Pa.; and Florida Auto Auction of Orlando, Ocoee, Fla.

Toyota

April 24 — Florida Auto Auction of Orlando, Ocoee, Fla.; Southern California Auto Auction, Fontana, Calif.

April 26 — Denver Auto Auction, Aurora, Colo.; and Baltimore-Washington Auto Auction, Baltimore, Md.

Used car sales

Auction averages

March 1990	$5,610
March 1989	5,353

SOURCE: NADA Official Used Car Guide

Model-year breakdown

Used-car sales, auction averages

Year	Jan.	Feb.	Mar.
1990	$ 9,823	$10,930	$11,332
1989	$9,192	9,035	8,965
1988	6,727	6,456	6,536
1987	5,395	5,297	5,377
1986	4,455	4,366	4,477
1985	3,759	3,771	3,766
1984	2,958	2,988	2,897
1983	2,034	2,279	2,291
Overall Average	$5,474	$ 5,569	$ 5,610

SOURCE: NADA Official Used Car Guide

INDIANA

Value Rent-A-Car
Over 38 Years of Service

WEDNESDAY MAY 2, 1990
9:30 A.M.

A.D.E. AND VALUE RENT - A - CAR

Value Rent-A-Car
Over 38 Years of Service

CASH DRAWING

WIN TRIP TO FLORIDA FOR TWO

11th ANNUAL BEACH PARTY SALE

45 DAY FINANCE
PLUS, 3000 Regular
Consignment Cars
15 TRANSPORTS AVAILABLE

45 DAY FINANCE
WE DON'T CASH YOUR CHECK FOR 45 DAYS
Special Incentive for Immediate Payment

250 CARS

250 CARS

CARS SCHEDULED FOR SALE

89 Ford Probe
89 Ford Aerostar
90 Ford Mustang LX
90 Ford Escorts
90 Ford Taurus
89 Ford Tempo
89 Ford T-Birds
90 Ford Aerostar
90 Ford Mustang GT Conv.
89 Ford Escorts
90 Ford Taurus Wagon
90 Ford Tempo

Auto Dealers Exchange

CALL
(317) 352-0121
FOR HOTEL RESERVATIONS,
AIRPORT PICKUP AND FULL DETAILS

8800 Brookville Road
Indianapolis, Indiana

CALL
(317) 352-0121
for Details Ask
for Terry, Tim or Kutch

Japanese steady as March import sales slip 6%

By Kristine Stiven Breese
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — Import-car sales fell 6.64 percent in March, against an industry-wide drop of 3.21 percent.

But Japanese imports continued to increase. Japanese automakers supplemented their growing sales of U.S.-produced cars with 164,849 imports, up 0.66 percent from a year earlier.

The story for European and Korean imports was bleaker.

European nameplates sold 43,971 cars last month, 11.69 percent fewer than in the year-ago month.

Korean makes dropped 36.84 percent to 19,714 cars.

The Big 3 of the import world — Toyota Motor Sales Inc., Nissan Motor Corp. in U.S.A. and American Honda Motor Co. Inc. — sold 106,204 cars, or 46.5 percent of the 228,534 imports delivered last month. Those figures include Lexus, Infiniti and Acura.

Toyota remains the leading import make, although its sales fell 3.30 percent in March.

Sales of imported Toyota Camrys dipped 41.08 percent to 6,284, but Toyota sold 19,636 U.S.-built Camrys, which are not included in the import total. Celica sales were up 60.28 percent, and Tercel rose 22.76 percent.

Toyota's Lexus Division continued on its 4,000-plus monthly sales pace by selling 4,861 units last month.

Nissan slipped as Sentra, Pulsar and 240SX fell behind last year's figures. Sales of the new Stanza, a crucial entry for Nissan, rose 87.85 percent to 6,898.

Infiniti, with 1,549 sales in March, topped 1,500 for the first time.

Honda's 17.5 percent gain came primarily from the Accord, which was up 36.29 percent.

With a 15.7 percent increase for the Integra and a 17.3 percent decline for the Legend, Honda's Acura sales rose 26 units in March.

Mazda Motors of America Inc. had a record sales month when its U.S.-built 626 and MX-6 are included. But Mazda's import sales fell 4.04 percent.

Import sales for Mitsubishi Motor Sales of America Inc. were up 19.43 percent to 8,868.

Mitsubishi Mirage sales of 4,464 units were nearly four times those of the year-ago month.

European importers exceeding their 1989 sales were Audi of America Inc., Volkswagen United States Inc., Jaguar Cars Inc., Mercedes-Benz of North America Inc. and Porsche Cars North America.

Mercedes sales were up 4.9 percent from March 1989. Much of the gain came from the 190 series, which jumped 22.4 percent.

Sales of Audi's 100/200 models more than doubled, helping Audi to a 65.8 percent monthly gain. Porsche sales rose 41.08 percent.

Jaguar sold 1,746 cars, up 7.12 percent from a year ago.

Porsche, bolstered by new entries and an advertising campaign, saw sales jump 41.1 percent to 941 vehicles.

One of the losers last month was BMW of North America Inc., whose sales fell 9.92 percent despite leasing and financing promotions.

Only the BMW 5 series outpaced last year's total. Sales of the entry-level 3 series dropped 13.1 percent to 2,435.

Saab sales in March dipped 13.58 percent below the year-ago total.

Volvo sales were down 16.98 percent.

IMPORT SALES BY MODEL

	March 1990	March 1989	3 Mos. 1990	3 Mos. 1989
ACURA	11,831	11,805	31,937	30,783
Integra	7,252	6,268	18,93[illegible]	15,012
Legend	4,579	5,537	13,00[illegible]	15,771
ALFA ROMEO	266	581	577	1,036
Milano	7	287	16	511
Spider	259	294	561	525
ASTON MARTIN*	5	5	15	15
AUDI	2,255	1,360	4,949	4,627
4000	0	9	0	28
5000	1	35	10	145
80	499	375	1,058	1,618
90	409	508	850	1,489
V8 Quattro	147	0	400	0
Coupe Quattro	99	0	226	0
100/200	900	331	1,960	951
100/200 Quattro	200	102	445	396
BMW	5,456	6,057	14,488	17,476
3-Series	2,435	2,804	6,187	8,275
5-Series	2,083	1,941	5,838	5,412
635 CSi	43	124	140	398
7-Series	797	951	2,089	2,767
M3	72	118	199	294
M5	5	49	9	139
M6	1	70	6	191
CHEVROLET/GEO	15,765	8,194	43,508	23,513
Geo Storm/Spectrum	10,836	4,239	22,229	12,179
Geo Metro/Sprint	4,929	3,955	21,279	11,334
CHRYSLER MOTORS	5,485	11,277	16,404	28,652
Colt	2,925	6,075	8,634	15,604
Conquest	93	677	506	1,531
Medallion	34	1,073	231	2,108
Summit	1,515	2,112	3,940	5,826
Vista	569	1,214	1,792	3,457
TC	349	126	1,301	126
DAIHATSU	1,219	1,217	3,648	3,340
FERRARI*	80	80	240	240
FORD Festiva	5,489	6,675	16,386	19,354
HONDA	19,736	16,796	53,530	48,895
Civic/CRX	5,045	4,991	13,649	12,893
Accord	11,196	8,215	32,505	26,407
Prelude	3,495	3,590	7,376	9,595
HYUNDAI	11,979	20,461	34,411	49,691
Excel	9,164	17,384	26,840	46,614
Sonata	2,815	3,077	7,571	3,077
ISUZU	402	1,749	836	4,549
I-Mark	237	1,326	580	3,746
Impulse	165	423	256	803
INFINITI	1,549	0	3,695	0
M30	532	0	1,596	0
Q45	1,017	0	2,099	0
JAGUAR	1,746	1,630	4,744	4,483
XJ6	1,291	1,198	3,473	3,361
XJS	455	432	1,271	1,122
LAMBORGHINI*	13	13	39	39
LEXUS	4,861	0	13,167	0
ES 250	1,532	0	5,839	0
LS 400	3,329	0	7,328	0
LOTUS*	27	27	81	81
MASERATI*	20	24	60	90
MAZDA	15,501	16,153	39,813	43,443
323	1,493	8,010	5,134	20,843
Protege	4,601	0	10,126	0
626	4,095	4,057	10,511	11,584
MX-6	15	435	26	889
Miata	3,435	0	8,797	0
929	1,062	1,817	3,090	4,765
RX-7	800	1,834	2,129	5,362
MERCEDES BENZ	6,891	6,570	17,356	17,148
190	1,177	961	3,026	2,790
300E 2.6/260E	412	452	590	923
300	2,089	2,294	5,749	5,635
300 SE	640	600	1,619	1,658
300SEL	371	380	935	911
420SEL	649	558	1,595	1,612
560SEL	448	446	1,211	1,266
560SL	894	712	1,964	1,854
560SEC	170	125	438	373
Tourist	41	42	229	126
MERCURY/MERKUR	1,757	5,865	5,685	15,519
Tracer	1,212	5,000	3,916	12,967
XR4Ti	0	590	198	1,350
Scorpio	545	275	1,571	1,202
MITSUBISHI	8,868	7,425	33,224	17,199
Starion	3	107	8	403
Cordia	0	7	0	310
Tredia	0	5	0	10
Mirage	4,464	1,175	20,154	2,604
Galant	3,673	4,491	10,550	8,670
Sigma	142	0	477	0
Precis	484	1,479	1,748	4,697
Van/Wagon	102	161	287	505
NISSAN	32,610	38,714	84,106	98,183
Sentra	7,688	13,826	22,210	35,287
Pulsar	725	2,272	2,239	5,337
Stanza	6,898	3,672	13,824	7,909
Maxima	10,248	10,052	27,109	27,054
240SX/200SX	4,434	7,135	11,846	17,660
300ZX	2,334	1,511	5,964	4,102
Hawaii	283	438	914	1,026
PEUGEOT	481	565	1,129	1,426
PONTIAC LeMans	2,246	4,076	6,384	11,417
PORSCHE	941	667	2,362	1,808
924S	42	12	106	54
944	0	95	56	236
944S	205	14	453	24
944 Turbo	132	63	293	141
911 Coupe/Carrera 4/2	351	175	721	515
911 Turbo	2	116	4	296
911 Cabriolet/Speedster	152	140	539	353
928S	57	52	190	183
ROLLS/BENTLEY*	100	100	300	300
SAAB	2,277	2,638	6,332	7,918
900	438	439	999	1,221
900S	535	690	1,068	1,690
900 Turbo	720	734	1,940	2,420
9000S	114	226	536	779
9000 CD	292	395	994	395
9000 Turbo	168	135	769	1,124
Tourist	10	19	26	289
STERLING	405	384	1,403	1,784
SUBARU	11,305	14,321	24,509	37,779
Hatchback	35	366	93	1,010
3-Door	38	660	94	1,813
4-Door Sedan	47	4,966	189	14,168
Legacy	6,387	0	14,052	0
Loyale	1,929	0	4,566	0
XT/XT6	186	1,151	477	2,615
Station Wagon	25	4,257	57	11,366
Justy	2,658	2,921	4,981	6,806
SUZUKI	475	480	1,605	1,586
TOYOTA	35,625	36,842	92,176	98,457
Corolla	8,192	9,018	24,870	23,242
Tercel	10,315	8,408	25,573	23,241
Celica	8,019	5,003	20,508	13,353
Supra	624	1,653	2,134	4,248
Camry	6,284	10,666	15,126	27,819
Cressida	1,052	1,611	2,286	5,299
MR2	1,139	483	1,679	1,255
VOLKSWAGEN	13,032	12,450	29,155	29,711
Cabriolet	842	1,119	1,807	2,175
Corrado	494	0	1,137	0
Jetta	5,886	5,409	13,691	12,638
Golf/GTI	1,463	1,986	3,331	4,842
Quantum	9	140	19	407
Scirocco	2	167	7	519
Fox	2,462	3,629	6,529	9,130
VOLVO	7,265	8,751	22,400	25,400
240 Series	2,545	3,627	8,729	10,652
740 Series	3,887	3,653	11,294	11,223
760 Series	621	1,290	2,003	3,088
780	74	148	199	358
Tourist	138	33	175	79
YUGO	571	827	1,994	2,458
IMPORT TOTAL	228,534	244,779	612,648	648,377

*Estimate

Compiled by Karen Detkowski

Avanti adopts Kevlar, carbon fiber material

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Avanti Automotive Corp. is using carbon fiber composite and Kevlar body materials in its 1990 four-door sedan.

The new body materials were featured at the recent New York International Automobile Show.

J.J. Cafaro, Avanti president and chief executive officer, invited reporters to slam one of the plastic bodies with a sledgehammer. The hammer scratched the finish but it did not appear to damage the body.

Hexcel Corp., an aerospace materials firm located in Dublin, Calif., supplies Avanti with a variety of carbon fiber composite materials. Hexcel has built materials used in America's Cup yachts, helicopter blades and missiles.

Composites are used in the roof, roof reinforcements and roof pillars, and in place of steel door beams. Kevlar is replacing the floor pan, bumpers and other high-stress areas.

Avanti's entire line, including the sedan, a coupe and a convertible version, eventually will have complete composite body structures, Cafaro said.

Youngstown, Ohio-based Avanti built about 300 cars in 1989. It hopes to build over 500 in 1990.

GM, partner get tax break from Hungary

SZENTGOTTHARD, Hungary — General Motors and its joint-venture partner here will be exempt from taxes for 10 years after it starts building engines for Opel Kadetts and Vectras.

GM owns 67 percent of the joint venture. Raba Railways Carriage and Machine Works owns 33 percent. The new plant being built here will produce between 100,000 and 200,000 1.6-liter engines a year, beginning in 1992. It also will assemble 10,000 to 15,000 Kadetts a year for sale mostly in Hungary. The company will employ 800 to 850 people.

GM Austria will coordinate construction of the plant in this community near the Austrian border.

Spiffs fail to help Big 3; April 1-10 sales off 10.7%

By Kathy Jackson
AUTOMOTIVE NEWS STAFF REPORTER

The first 10 days of April brought gloomy car sales reports from the Big 3, but every transplant except Nissan showed a gain.

Despite hefty incentives, combined car sales for General Motors, Ford Motor Co. and Chrysler Corp. declined 17.68 percent from a strong year-earlier period.

The transplants as a group were up 51.59 percent.

Car sales in early April totaled 163,340, down 12.54 percent from 186,752 in the first 10 days of April last year.

Truck sales were nearly as dismal. GM and Nissan posted slight increases; Ford and Chrysler reported declines.

Truck sales totaled 99,107, down 7.49 percent from year-ago figures.

The combined car-truck figure of 262,447 was 10.70 percent below last year's 293,879.

"For a spring selling market still characterized by pervasive incentives, these numbers don't look good," said Tom Webb, chief economist for the National Automotive Dealers Association in McLean, Va.

"Unless there is a major change in the economy, domestic new-car sales appear destined to remain in their current doldrums," he said.

Webb said that early sales trends are in line with NADA's forecast that 13.7 million vehicles will be sold in the 1990 calendar year.

Chrysler's total vehicle sales suffered the most, down 27.13 percent in early April.

Even its truck deliveries, which had been holding steady, dropped 24.91 percent. Car sales fell 29.22 percent.

GM was down the least of the Big 3; its total vehicle sales dipped 8.38 percent.

GM's cars were off 13.60 percent from last year, but trucks were up 2.24 percent.

The automaker's new plastic-bodied minivans, the Chevrolet Lumina APV, Oldsmobile Silhouette and Pontiac Trans Sport, accounted for the truck gain.

Ford's overall dip was 15.06 percent — 18.66 percent for cars and 9.33 percent for trucks.

Among the transplants, Honda's car sales climbed 16.99 percent in early April.

Car sales doubled for Toyota, tripled for Mazda and nearly tripled for Mitsubishi. Mazda has added the 626 series to its U.S.-built models this year; Toyota and Mitsubishi are producing more cars at U.S. plants that were in the start-up phase a year ago.

Truck sales helped Nissan post a gain of 6.03 percent for the 10-day sales period.

Car sales were down 6.03 percent,but a 14.22 increase in truck sales pushed up Nissan's overall vehicle sales.

Sales of vehicles produced at the new Subaru-Isuzu Automotive plant in Lafayette, Ind., totaled 73 Subaru cars and 243 Isuzu trucks in early April.

10-DAY SALES

DOMESTIC BUILT

	Apr. 1-10, 1990	Apr. 1-10, 1989
CARS		
Eagle	773	980
Chrysler	4,187	6,295
Dodge	7,338	11,175
Plymouth	5,709	6,989
CHRYSLER MTRS.	**18,007**	**25,439**
Ford	34,438	41,394
Lincoln	5,643	6,338
Mercury	9,790	13,577
FORD MOTOR	**49,871**	**61,309**
Buick	10,789	12,379
Cadillac	5,093	6,183
Chevrolet	32,097	33,971
Oldsmobile	11,690	15,203
Pontiac	14,731	18,374
GENERAL MTRS.	**74,400**	**86,110**
HONDA	**9,455**	**8,082**
MAZDA	**3,139**	**977**
MITSUBISHI	**1,485**	**511**
NISSAN	**1,526**	**1,624**
SUBARU	**78**	**—**
TOYOTA	**5,379**	**2,700**
U.S. CAR TOTAL	**163,340**	**186,752**
TRUCKS		
Chrysler	50	—
Dodge	10,745	13,669
Jeep	3,997	5,398
Plymouth	3,182	4,871
CHRYSLER MTRS.	**17,974**	**23,938**
FORD MOTOR	**34,861**	**38,448**
Chevrolet	33,281	33,719
GMC	8,540	8,631
Oldsmobile	589	—
Pontiac	888	—
GENERAL MTRS.	**43,298**	**42,350**
ISUZU	**243**	**—**
NISSAN	**2,731**	**2,391**
U.S. TRK. TOTAL	**99,107**	**107,127**
U.S. CAR-TRUCK TOTAL	**262,447**	**293,879**

There were 8 selling days in the period this year and last.

CHRYSLER

FROM PAGE 3

same period in 1989.

Dauch said that as part of Chrysler's five-year, $15 billion capital spending plan, the company will upgrade its three stamping operations by 1994 and build stamping plants at Bramalea and Belvidere.

Dauch

Stamping plants in Sterling Heights, Mich., Warren, Mich., and Twinsburg, Ohio, will get new press lines, new transfer presses and more automation for older presses.

Mitsubishi Motor Corp. will be an equity partner in the Bramalea stamping plant, "but it will be totally operated by Chrysler," Dauch said. Mitsubishi and Chrysler are partners in the Diamond-Star Motors Corp. plant in Normal, Ill., which has its own stamping plant.

Dauch also said Chrysler anticipates completing this summer's model changeover in four weeks at the minivan assembly plants in St. Louis, Mo., and Windsor, Ontario.

Windsor will go down for July. St. Louis will go down throughout August.

In the 1991 model year Chrysler is launching a newly styled minivan and is adding anti-lock brakes and all-wheel-drive as options to the vehicles.

TURIN

FROM PAGE 3

cel. "But nothing is signed."

Ital's Aztec twin-cockpit roadster, one of the stars of the Turin show in 1988, will be produced by Turin specialist Carrozzeria Savio for the Japanese market. Hideyuki Miyakawa of the Turin trading company Compact, which bought the rights to the design, now says Aztec's twin, the Aspid coupe, may also be produced in limited numbers.

Miyakawa said 52 Aztecs will be produced. Sales in the United States are possible, but not likely, he said.

Pininfarina's aerodynamic CNR E2 four-seat sedan was done in cooperation with Fiat Auto, Alf-Lancia S.p.A. and the Italian National Research Council. Based on a 1.4-liter Fiat Tipo, the extremely slick running prototype seats five and is capable of 127 mph.

Industrie Pininfarina S.p.A., the manufacturing arm of the firm, is also breaking new ground as it attempts to move from coachbuilder to complete carmaker. Andrea Pininfinarina, general manager, said the company will manufacture a new Peugeot convertible beginning in 1993. But he said two new projects will go into production at Pininfarina before the Peugeot, including an Alfa Romeo.

Another Turin coachbuilder, Carrozzeria Bertone S.p.A., showed the Nivola sports car that had been in Geneva. But Bertone has other interesting projects in the pipeline.

Managing Director Paolo Caccamo said the company has designed for a manufacturer a new sports car that will go into production in late 1991 or early 1992. He said Bertone also will produce the bodies. Speculation is it might be a second Bugatti model.

Caccamo also said the project to replace the long-dormant Bertone-badged X 1/9 sports car may be revived using Adam Opel mechanicals.

Ford Motor Co.'s Ghia studio in Turin showed the Zig and Zag minicars that debuted at Geneva. Immediately after the show, which ends May 1, they will be shipped to Dearborn, Mich., for inspection by top Ford management.

Ferrari S.p.A.'s 348, which debuted six months ago, was still a center of attention at Turin. Marketing executive Giovanni Perfetti said about 300 of the cars will be sent to the United States this year.

Production of the 348 is up to eight daily and is expected to reach 10 in June. Eventually, half of output will be shipped to America.

Perfetti said the successor to the current four-seat 412 will be called the 512-GT America and will debut at the end of 1991.

Automobili Lamborghini S.p.A. has started pre-production of the Diablo, and regular output will begin in July, according to Director General Gianfranco Venturelli. The first car will be delivered in late September or early October. American deliveries will begin in October.

Annual production of Diablo will ultimately go no higher than 500 units, with 30 to 35 percent destined for North America. Meanwhile, the replacement for the defunct Jalpa model is planned for the third quarter of 1992.

Britain's International Automotive Design has become a staple at the Turin show in recent years, though its Mini-MPV van missed the first press day — "lost somewhere between here and Milan," said aggravated officials.

The company also presented a running prototype of the Venus sports car that was shown in Tokyo last fall as a model.

A major design and engineering shop, International Automotive Design has become a limited-series producer as well. The company has begun serial production of an unnamed model that will be sold by another automaker. Officially, company executives are saying nothing. An announcement of the project is expected this fall.

Automotive News Staff Correspondent Luca Ciferri contributed to this report.

MIATA

FROM PAGE 3

hardtop is $1,100, and automatic transmission is $720.

Since the June 1989 launch, Mazda has sold nearly 30,000 Miatas. The company expects to sell its entire Miata allotment, 40,000 cars, this calendar year and next. Bymaster says days' supply is "the same as it was at launch — basically non-existent."

Miata's strongest month was August, with 5,029 sales nationally. February was the slowest month, with 2,510, but that was followed by a 36.8 percent increase in March to 3,435.

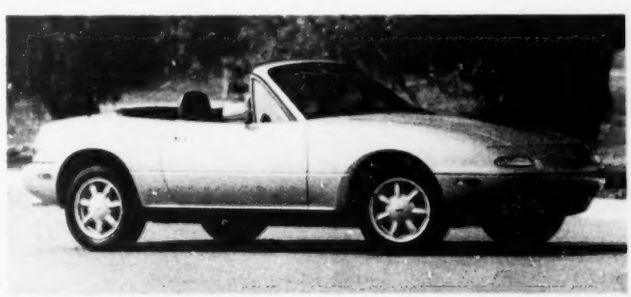
Bymaster says Mazda is watching dealer pricing closely. "It's something that concerns us," he says. "You set goals for the company and strategies to achieve them. An affordable sports car is one of those goals, and we have to make sure that this pricing doesn't hurt the overall image."

He adds that the only formal action was a letter sent to dealers during last year's launch, asking them not to price the car too high.

Kory Johnson, general manager of Campbell Mazda in Costa Mesa, Calif., has held to sticker from the beginning. He says the strategy initially cost him some customers, who paid a premium to get their Miatas elsewhere.

"But we're in it for the long run," Johnson says. "People have started to learn that we sell at sticker, and they are shopping us for that reason."

Competition will drive onto the Miata's turf this summer, when convertible versions of the Toyota Celica, Mercury Capri and Geo Metro are introduced.



Mazda's Miata is still bringing an average of $2,500 over sticker price. The premium appears likely to continue with the arrival of convertible season.

OBITUARIES

Frank Garard

IRVINE, Calif. — Frank Garard, a 17-year Mazda employee, died March 23. He was 68. Garard joined Mazda in 1971, working in a variety of managerial and executive positions until he retired in 1988. Prior to joining Mazda, Garard worked 23 years at Chrysler Corp.

Lewis W. Somers

NEW HAVEN, Conn. — Lewis W. Somers, a former New Haven area Pontiac dealer, died March 26. He was 72.

Dana Kull

BOCA RATON, Fla. — Dana Kull, a co-owner of Avalon Honda, Swainton, N.J., died April 11. She was 44. Kull was also an accomplished pilot and member of the International Chapter of the 99's, a women's pilot association.

Grab your share of the ever booming limousine buyer market
Dealers:
■ Immediate delivery
■ Extended Service Plans avail.
■ Bailment pool cars in all colors
■ Lincoln drop ship code 88-NZ-16
Newly restyled 1990 Lincoln Town Car. 1990 Cadillac and Mercury limousines also available.
LIMOUSINE WERKS
Manufacturing
2300 Hammond Drive
Schaumburg, Illinois 60173
1-800-882-3228
In Illinois: 708-397-8866
Fax: 708-397-6860
■ Distributor areas still available
■ Armor and security vehicles priced in confidence

INCENTIVE WATCH

CUSTOMER INCENTIVES

	Rebates	Finance Rates (Pct.) — Months — 24	36	48	60	Expiration Date
Chrysler Motors (1988-89 models)						
Chrysler	$1,000-$2,000	2.9	6.9	7.9	9.9	None
Dodge cars	$750-$1,500	2.9	6.9	7.9	9.9	None
Dodge trucks	$750-$2,500	2.9	6.9	7.9	9.9	None
Eagle	$1,000-$2,000	2.9	6.9	7.9	9.9	None
Jeep	$500-$1,500	2.9	6.9	7.9	9.9	None
Plymouth	$750-$1,250	2.9	6.9	7.9	9.9	None
Chrysler Motors (1990 models)						
Dodge cars	**$750-$1,000**	**2.9**	**6.9**	**7.9**	**9.9**	**None**
Eagle Summit	**$1,000**	**2.9**	**6.9**	**7.9**	**9.9**	**None**
Plymouth	**$750-$1,000**	**2.9**	**6.9**	**7.9**	**9.9**	**None**
Chrysler Motors (1990 models, guaranteed rebates*)						
Chrysler	**$1,000**	**2.9**	**6.9**	**7.9**	**9.9**	**May 31**
Dodge cars	**$750-$1,500**	**2.9**	**6.9**	**7.9**	**9.9**	**May 31**
Dodge trucks	**$1,000 - $2,000**	**2.9**	**6.9**	**7.9**	**9.9**	**May 31**
Eagle	**$750-$2,000**	**2.9**	**6.9**	**7.9**	**9.9**	**May 31**
Jeep	**$500-$1,000**	**2.9**	**6.9**	**7.9**	**9.9**	**May 31**
Plymouth	**$750-$1,000**	**2.9**	**6.9**	**7.9**	**9.9**	**May 31**
*Buyer will receive any increase in rebate through Sept. 30, 1990.						
Ford Motor Co. (1989-90 models)						
Ford cars	**$750-$1,500**	**6.9**	**6.9**	**6.9**	**10.9**	**April 30**
Ford trucks	**$750-$1,500**	**6.9**	**6.9**	**6.9**	**10.9**	**April 30**
Continental, Mark VII	**$1,500**					**April 30**
Mercury	**$750-$1,500**	**6.9**	**6.9**	**6.9**	**10.9**	**April 30**
General Motors (1989 models)						
Chevrolet cars	$700-$1,000	6.9	6.9	6.9	10.9	May 2
Chevrolet trucks	$500-$1,500	6.9	6.9	6.9	10.9	May 2
GMC trucks	$750-$1,500	6.9	6.9	6.9	10.9	May 2
Cutlass Supreme	$1,500	6.9	6.9	6.9	10.9	May 2
Pontiac	$750-$1,000	6.9	6.9	6.9	10.9	May 2
General Motors (1990 models)						
Buick	**$500-$1,250***	**6.9**	**6.9**	**6.9**	**10.9**	**May 2**
Riviera	**$1,500**	**6.9**	**6.9**	**6.9**	**10.9**	**May 2**
Chevrolet cars	**$700-$1,000**	**6.9**	**6.9**	**6.9**	**10.9**	**May 2**
Chevrolet trucks	**$500-$1,500**	**6.9**	**6.9**	**6.9**	**10.9**	**May 2**
Cadillac	**$1,500-$2,000**					**May 31**
GMC trucks	**$750-$1,500**	**6.9**	**6.9**	**6.9**	**10.9**	**May 2**
Olds Toronado	**$1,500**	**6.9**	**6.9**	**6.9**	**10.9**	**May 2**
Cutlass Supreme	**$2,000**	**6.9**	**6.9**	**6.9**	**10.9**	**May 2**
Silhouette	**$1,000**	**6.9**	**6.9**	**6.9**	**10.9**	**May 2**
Pontiac	**$750-$2,000**	**6.9**	**6.9**	**6.9**	**10.9**	**May 2**
Trans Sport	**$1,000**	**6.9**	**6.9**	**6.9**	**10.9**	**May 2**
*Based on option package selected						
Audi (1990 models)*		**4.9**	**4.9**	**6.9**	**9.9**	**June 30**
*—Finance incentive takes effect only if dealer foregoes dealer cash incentive.						
BMW (1990 models)						
325i		**2.9**	**4.9**	**6.9**	**7.9**	**April 30**
325is		**4.9**	**6.9**	**7.9**	**9.9**	**April 30**
Isuzu (1989-90 models)	**$1,000-$1,200***					**June 30**
*If dealer foregoes dealer incentive						
Mazda (1990 models)						
323	**$750**					**June 4**
Trucks	**$750-$1,000**					**None**
Mitsubishi (1989-1990 models)						
Cars, trucks*	**$500-$2,000**					**June 30**
*Payments vary by regions.						
Nissan (1988-89 models)						
Sentra, trucks	$1,000-$1,500					May 2
Nissan (1990 models)						
Sentra, trucks	**$1,000-$1,200**					**May 2**
Peugeot (1989-90 models)	**$1,000-$3,000**					**None**
Sterling (1989 models)	$5,000					April 30

PAINT

FROM PAGE 1

tant" to the invaders from the sky.

The Detroit Ford dealer, who asked not to be named, said the generally yellow spots are most prominent on darker cars. "I can wash the cars in the morning, but by lunch, the spots will be back out; I don't know how this has been covered up this long," he said.

The transit coating solution was tested last summer on Taurus and Sable models produced at Ford's Atlanta assembly plant.

Dealers say warranty claims have been reduced on those cars.

Jim Tidwell, president of Jim Tidwell Ford in Kennesaw, Ga., says he has been filing paint damage claims with Ford for four or five years.

"They have been very fair in approving and handling claims for acid rain damage," he says.

Frank Beideman, sales manager for Holman Lincoln-Mercury in Shady Lane, N.J., says the coating "completely eliminated paint damage on the Sables we received from the Atlanta plant."

Neither Ford nor GM would divulge the amount of annual warranty claims stemming from the paint problems.

Most Japanese importers coat their imported cars before they ship them to the United States; as for the transplants, Toyota Motor Manufacturing U.S.A. Inc. says it coats cars upon dealer requests; Nissan Motor Manufacturing Corp. U.S.A. says it does not have a coating program.

A source who worked closely with Ford during the transit coating test program said the company told him it shells out about $60 million annually. He said GM and Chrysler face a similar dilemma.

"We cover these claims," said GM's Mowers, but he said he had no idea how much the claims amount to each year.

Chrysler spokesman Tom Jacobowski said he could not find out any information about paint problems at Chrysler.

For the past 18 months, GM has been coating Chevrolet Corvettes at its Bowling Green, Ky., plant and Oldsmobile Cutlasses at its Doraville, Ga., plant.

Mowers said Chevrolet Corsica and Beretta models were coated for a while at GM plants in Wilmington, Del., and Linden, N.J.

The coating will be applied to all Ford vehicles except those produced at the St. Thomas, Ohio, truck plant and the St. Louis and Edison, N.J., assembly plants.

In his letter to dealers, Ford's King wrote that a tougher ure thane paint, which better resists environmental fallout, is used on the Crown Victoria and Grand Marquis that are produced at St. Thomas. The Econoline van, produced at Ohio Truck, and the Aerostar minivan, produced at St. Louis, have limited horizontal surfaces that can be seen.

Edison will be closed for a plant changeover from Escorts to Ranger trucks when the coating begins.

The letter said the coatings will be applied from May through October, when vehicles are most susceptible to fallout.

King advised dealers to leave the solution on until they sell the cars, or up to six months. After six months, removal becomes harder.

King said Ford will provide the cleaning product, and the company will compensate dealers for the time it takes to remove the substance.

Dealers who have their cars prepped at the factory's predelivery centers can choose to have the center remove the coating.

INCENTIVE WATCH

DEALER INCENTIVES

	Rebate	Expiration Date
General Motors (1989 models)		
Buick	$750-$2,000	May 2
Chevrolet Nova, Spectrum (1988)	$500	May 2
Geo, Celebrity	$500	May 2
Geo Tracker	$1,000	May 2
Corvette	$2,000-$4,000 based on sales	May 2
Oldsmobile	$500-$2,500	May 2
Pontiac LeMans, Grand Am	$500	May 2
Grand Prix	$500	May 2
General Motors (1990 models)		
Buick Park Avenue, Estate Wagon, Riviera, Reatta	**$1,000-$2,000**	**May 2**
Chevrolet Geo, Celebrity	**$500-$1,000**	**May 2**
Geo Tracker	**$1,000**	**May 2**
Oldsmobile	**$500-$1,000, quota**	**May 2**
Pontiac Firebird	**$300-$500**	**May 2**
Grand Prix	**$500**	**May 2**
Audi (1990 models)*	**$2,000-$3,000**	**June 30**
*-Dealer has option of foregoing cash incentive and offering cut-rate financing to customer.		
Isuzu (1990 models)		
Pickups*	**$800-$1,300 based on number sold**	**June 30**
Trooper	**$900-$1,400 based on number sold**	**June 30**
*$200 extra on 4wd models		
Mitsubishi (1989-1990 models)		
Cars, trucks*	**$500-$2,000 based on number sold**	**June 30**
*Payments vary by regions.		
Nissan		
Stanza (1989-90)	**$500-$1,000**	**May 2**
Axxess (1990)	**$1,000**	**May 2**
Pathfinder (1989)	**$1,500**	**May 2**
Saab (1989 models)	$3,000-$5,000	April 30
Subaru (1989 models)		
Justy ECVT	$1,200	May 2
Other Justy	$500	May 2
XT, XT6	$1,500	May 2
Subaru (1990 models)		
Loyale	**$400**	**May 2**
Legacy	**$500-$1,500**	**May 2**
Suzuki		
Samurai (1988-89)	$1,000	June 4
Swift (1989)	$1,000-$2,000	June 4
Sidekick (1989)	$500-$2,500	June 4
Swift (1990)	**$400**	**June 4**
Sidekick (1990)	**$700-$1,500**	**June 4**
Volkswagen (1989 models)		
Cars	$600-$2,500	None
Vanagon	$3,000-$4,000	None

Audi adds sales spiffs

Audi of America, which has shunned cash incentives for the past few months in favor of leasing programs, announced a new dealer incentive plan last week.

Audi spokesman John Giova said dealers asked for the return of incentives.

"The market is so competitive, and not all our customers are leasing customers," Giova said. "Dealers said, 'Give me some more options.' "

Dealers can take the incentive as factory-to-dealer cash or give the customer special retail finance rates.

The finance rates are 4.9 percent for contracts up to 36 months; 6.9 percent for 48 months; and 9.9 percent for 60 months. Dealers who choose the cash receive $2,000 on sales of the Audi 80, 90, 100, 200 and Coupe Quattro and $3,000 on the Audi Quattro V-8. The program expires June 30.

Audi is still offering the "Audi Advantage," a three-year, 50,000-mile leasing program that includes all scheduled maintenance, corrosion protection and 24-hour road service.

— Arlena Sawyers

PRODUCTION

Output rises in another short week

By Karen Detkowski
AUTOMOTIVE NEWS STATISTICIAN

Automakers scheduled output of 112,398 cars last week, an increase of 7.51 percent above the previous week but 30.40 percent below the year-ago week.

Monday was a holiday for Big 3 plants, marking their second consecutive holiday week. U.S. plants operated by foreign makers resumed production Monday.

Car production for the year to date is 1,799,625 units, 24.38 percent below the 1989 total at this time.

Truck assembly was targeted at 72,861 units last week, 4.84 percent above the prior week but 21.42 percent below the year-ago week.

So far this year, 1,181,215 trucks have been built, 17.91 percent below last year's total at this point.

Companies split last week's scheduled production as follows: General Motors, 41.65 percent; Ford Motor Co., 26.95 percent; Chrysler Corp., 9.61 percent; Honda of America Manufacturing Inc., 7.91 percent; Toyota Motor Manufacturing U.S.A. Inc., 3.91 percent; New United Motor Manufacturing Inc., 2.94 percent; Mazda Motor Manufacturing (USA) Corp., 2.75 percent; Diamond-Star Motors Corp., 2.62 percent; Nissan Motor Manufacturing Corp. U.S.A., 1.26 percent; and Subaru-Isuzu Automotive Inc., 0.40 percent.

GM reported that its Willow Run, Mich., and Lansing, Mich., car plants and the Tarrytown, N.Y., minivan facility worked Saturday overtime last week. The Janesville, Wis., Cavalier assembly plant was on overtime Friday.

Ford scheduled Saturday overtime last week at the Wixom, Mich., car plant and the St. Paul, Minn., truck facility.

Daily overtime was scheduled at Ford's Wixom; Kansas City, Mo., and Wayne, Mich., car plants.

Ford will idle the Lorain, Ohio, plant the week of April 30 because of a falloff in dealer orders for Thunderbird and Cougar.

Both shifts at Chrysler's Dodge City truck plant in Warren, Mich., began working nine hours a day last week.

As previously reported, Chrysler's St. Louis No. 1 plant is operating on a single eight-hour daily shift during April.

Canada climbs after holiday

Canadian automakers scheduled 19,089 units last week, 42.52 percent above the Easter week but 4.28 percent below the year-ago week.

So far this year, 302,121 cars have been assembled, 5.00 percent below last year's tally.

Truckmakers' targeted output of 19,549 was 15.94 percent above the previous week but 6.89 percent below the year-ago week.

To date, 1990 truck output is 283,705 units, 11.55 percent below the year-ago total.

Ford's Oakville, Ontario, plant extended downtime last week. It is scheduled to resume output today.

U.S. CAR	Week Ended Apr. 21, 1990	Week Ended Apr. 22, 1989	Week Ended Apr. 14, 1990	Apr. to Date	Jan. 1 to Apr. 21, 1990	Jan. 1 to Apr. 22, 1989
Horizon	0	834	0	0	4,327	3,118
Sundance	1,600	2,504	1,527	3,127	21,882	37,250
Acclaim	1,800	2,681	1,729	3,529	23,386	37,629
Total Plymouth	3,400	6,019	3,256	6,656	49,595	77,997
LeBaron A	200	0	331	1,959	7,320	0
LeBaron J	800	2,757	1,130	1,930	10,262	36,658
LeBaron GTS	0	0	0	0	0	2,946
N. Yorker C-Class	800	2,112	462	1,262	6,388	37,900
Fifth Avenue	400	0	576	976	8,176	0
Imperial	100	0	447	547	5,218	0
Total Chrysler	2,300	4,869	2,946	6,674	37,364	77,504
Omni	0	956	0	0	4,078	3,657
Daytona	500	1,804	778	2,220	7,916	34,174
Shadow	1,600	2,341	1,662	3,262	24,547	37,536
Dynasty	1,300	3,373	2,468	3,768	32,755	50,210
Lancer	0	0	0	0	0	1,528
Spirit	1,700	2,769	1,908	3,608	25,153	35,325
Total Dodge	5,100	11,243	6,816	12,858	94,449	162,430
CHRYSLER MOTORS	10,800	22,131	13,018	26,188	181,408	317,931
Escort	5,828	8,110	4,451	15,492	53,896	106,665
Mustang	2,964	4,146	0	2,964	41,870	77,298
Tempo	2,669	3,082	2,613	8,656	39,908	52,444
Taurus	5,773	8,297	5,888	19,358	118,262	127,157
Thunderbird	2,694	3,276	2,595	5,289	34,318	57,227
Total Ford Div.	19,928	26,911	15,547	51,759	288,254	420,791
Topaz	1,071	1,428	907	3,169	15,742	22,424
Cougar	1,806	3,257	1,905	3,711	22,970	48,389
Sable	2,611	2,638	2,523	8,204	34,774	41,607
Total Mercury	5,488	7,323	5,335	15,084	73,486	112,420
Continental	1,092	1,440	895	3,302	17,208	23,450
Mark VII	534	472	452	1,641	8,581	9,054
Town Car	3,253	2,853	2,703	9,902	51,787	43,022
Total Lincoln	4,879	4,765	4,050	14,845	77,576	75,526
Total L-M Div.	10,367	12,088	9,385	29,929	151,062	187,946
FORD MOTOR CO.	30,295	38,999	24,932	81,688	439,316	608,737
Skyhawk	0	425	0	0	0	5,312
Skylark/Somerset	1,782	1,294	1,614	5,677	26,314	17,497
Century	1,056	2,178	678	1,734	18,691	38,431
Riviera	429	527	420	1,402	7,019	9,107
Electra	12	2,115	7	39	12,370	26,963
LeSabre (fwd)	3,085	4,960	3,162	9,929	48,830	41,519
LeSabre (rwd)	120	183	100	335	2,106	3,076
Reatta	161	206	163	528	2,621	2,184
Total Buick	6,645	11,888	6,144	19,644	117,951	144,089
Eldorado	503	844	503	1,636	6,870	12,467
Seville	554	688	557	1,804	8,649	9,148
Brougham (rwd)	860	607	760	2,584	12,254	13,811
DeVille (fwd)	3,261	4,872	3,257	10,521	48,526	71,526
Allante	69	75	70	226	1,108	1,078
Total Cadillac	5,247	7,086	5,147	16,771	77,407	108,030
Cavalier	6,040	8,271	5,075	18,559	92,039	127,224
Camaro	1,576	2,582	1,549	5,024	15,550	39,203
Celebrity	0	1,907	0	0	0	47,820
Corsica/Beretta	4,928	8,900	4,099	15,104	84,278	134,810
Caprice	1,348	3,982	2,448	6,865	65,670	65,987
Corvette	448	560	448	1,456	7,056	8,328
Total Chevrolet	14,340	26,202	13,619	47,008	264,593	423,372
Calais	1,962	2,296	1,604	6,062	27,527	30,241
Cutlass Ciera	400	1,549	746	1,146	24,306	26,734
Cutlass Supreme	1,572	3,458	1,456	4,900	25,316	30,390
Toronado	306	180	312	990	6,518	3,466
88 (fwd)	1,913	3,393	1,754	5,756	26,368	50,550
88 (rwd)	0	151	99	213	1,183	2,393
98	883	2,066	887	2,907	17,150	30,406
Total Oldsmobile	7,036	13,093	6,858	21,974	128,368	174,180
Sunbird	3,200	3,781	3,175	10,346	40,801	48,089
Grand Am	3,840	5,293	3,956	12,537	55,482	80,685
Firebird	1,024	1,334	934	3,138	9,333	23,046
Grand Prix	2,556	4,000	2,507	8,150	32,624	46,427
Pontiac 6000	800	2,181	602	1,402	17,237	30,380
Bonneville	2,133	2,948	1,292	5,343	21,071	31,925
Safari/Parisienne	0	117	0	0	0	1,725
Total Pontiac	13,553	19,654	12,466	40,916	176,548	262,277
GENERAL MOTORS	46,821	77,923	44,234	146,313	764,867	1,111,948
DIAMOND-STAR	2,940	1,376	2,204	8,009	43,827	12,840
HONDA	8,895	7,660	7,099	24,757	136,996	122,950
Civic	2,830	2,662	2,259	7,663	36,946	41,392
Accord	6,065	4,998	4,840	17,094	100,050	81,558
MAZDA	3,093	5,125	3,331	10,479	57,952	76,602
NISSAN	1,411	2,081	1,422	4,501	34,577	36,034
NUMMI	3,300	4,161	3,413	11,646	63,082	61,947
Corolla	1,600	1,478	1,640	5,695	32,983	25,783
Geo Prizm/Nova	1,700	2,683	1,773	5,951	30,099	36,164
SUBARU-ISUZU	445	0	441	1,249	8,609	0
TOYOTA	4,398	2,042	4,449	13,081	68,991	30,911
Total Cars, U.S.	112,398	161,498	104,543	327,911	1,799,625	2,379,900
Total Cars, Canada	19,089	19,942	13,394	52,742	302,121	318,014
U.S., Canada Cars	131,487	181,440	117,937	380,653	2,101,746	2,697,914
U.S., Canada Cars and Trucks	223,897	295,154	204,294	661,729	3,566,666	4,457,615

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes MX-6, 626, and Ford Probe
*—Estimated

CANADIAN CAR	Week Ended Apr. 21, 1990	Week Ended Apr. 22, 1989	Week Ended Apr. 14, 1990	Apr. to Date	Jan. 1 to Apr. 21, 1990	Jan. 1 to Apr. 22, 1989
Monaco	0	0	0	0	3,593	0
Premier	0	0	0	0	1,252	14,885
CHRYSLER MOTORS	0	0	0	0	4,845	14,885
Tempo	0	3,376	0	2,463	36,657	53,346
Topaz	0	1,422	0	1,382	12,503	22,527
Crown Victoria	2,192	2,555	2,183	7,324	37,108	42,546
Grand Marquis	1,842	3,088	1,866	6,151	33,611	48,175
FORD MOTOR CO.	4,034	10,441	4,049	17,320	119,879	166,594
Celebrity	934	270	0	934	5,226	3,166
Cutlass Ciera	2,181	3,690	0	2,181	24,486	58,763
Lumina	5,124	3,265	3,632	13,728	68,486	18,740
Regal	2,676	189	1,981	6,813	51,905	24,799
GENERAL MOTORS	10,915	7,414	5,613	23,656	89,686	105,468
HONDA	2,150	1,702	1,675	5,949	33,518	26,007
HYUNDAI*	310	0	310	930	5,042	0
TOYOTA	1,500	205	1,603	4,383	18,918	2,321
VOLVO	180	180	144	504	2,807	2,739
Total Cars, Canada	19,089	19,942	13,394	52,742	302,121	318,014

U.S. TRUCK	Week Ended Apr. 21, 1990	Week Ended Apr. 22, 1989	Week Ended Apr. 14, 1990	Apr. to Date	Jan. 1 to Apr. 21, 1990	Jan. 1 to Apr. 22, 1989
Caravan	1,900	2,488	1,694	5,642	35,469	35,810
Dakota	1,600	2,548	1,338	4,482	21,967	36,113
Caravan C/V	100	207	112	360	2,337	3,242
Ram pickups	2,500	2,558	1,846	6,643	32,050	36,096
Total Dodge	6,100	7,801	4,990	17,127	91,823	111,261
Cherokee	2,900	5,464	2,587	5,487	49,227	72,934
Comanche	100	645	158	258	2,237	10,812
Grand Wagoneer	200	345	0	200	1,460	4,683
Wagoneer	50	181	80	130	1,071	3,218
Total Jeep	3,250	6,635	2,825	6,075	53,995	91,647
Voyager	1,500	2,325	1,612	5,163	33,653	34,311
Town & Country	50	0	38	161	1,144	0
Total C-P Div.	1,550	2,325	1,650	5,324	34,797	34,311
CHRYSLER MOTORS	10,900	16,761	9,465	28,526	180,615	237,219
Aerostar	4,000	5,698	3,844	12,677	57,648	79,950
Bronco	941	1,600	946	3,035	16,734	28,593
Bronco II	3,490	2,321	3,193	10,716	32,586	43,781
Econoline	3,783	5,061	3,792	12,289	57,065	79,321
Mediums/Heavies	921	1,680	962	3,014	15,599	22,361
Light trucks	8,044	12,543	7,521	24,497	137,730	176,139
Ranger	5,671	6,807	5,208	17,742	92,975	116,205
Total Ford Div.	26,850	35,710	25,466	83,972	410,337	544,350
FORD MOTOR CO.	26,850	35,710	25,466	83,972	410,337	544,350
Astro	2,280	3,309	2,285	7,379	33,797	55,376
Blazer	350	648	339	1,126	5,055	9,051
Lumina APV	1,784	0	1,628	6,038	30,287	0
Mediums/Heavies	142	0	135	456	2,327	1,312
P-Model	480	830	478	1,599	7,146	10,238
Pickups	5,688	7,171	5,613	18,373	109,799	136,578
S-10	3,460	4,847	3,501	11,429	71,214	90,778
S-10 Blazer	3,344	3,925	3,473	11,269	35,357	61,477
Sportsvan/Van	1,590	2,428	1,484	5,121	18,582	31,138
Suburban	1,261	1,774	1,260	4,148	20,199	25,142
Total Chevrolet	20,379	24,932	20,196	66,938	333,763	421,090
Jimmy	102	177	98	321	1,686	2,696
Mediums/Heavies	458	0	478	1,543	3,493	1,496
P-Model	80	86	64	192	919	1,359
Pickups	2,126	2,834	2,133	6,861	37,272	40,854
S-15	825	1,306	746	2,600	17,575	21,246
S-15 Jimmy	1,008	1,140	1,102	3,468	10,896	17,527
Safari	728	1,072	715	2,276	10,283	13,749
Suburban	500	702	485	1,589	8,613	10,062
Vandura/Rally Vans	378	605	481	1,275	7,289	8,262
Total GMC	6,205	7,922	6,302	20,125	98,026	117,251
Olds Silhouette	616	0	522	1,803	9,331	0
Pontiac Trans Sport	868	0	737	2,475	16,963	0
GENERAL MOTORS	28,068	32,854	27,757	91,341	458,083	538,341
NAVISTAR	225	1,782	183	588	20,178	27,726
NISSAN	2,898	2,161	2,820	8,681	47,479	42,193
SUBARU-ISUZU	470	0	354	1,249	8,633	0
AM GENERAL*	450	450	450	1,350	7,290	7,020
MISCELLANEOUS*	3,000	3,000	3,000	9,000	48,600	42,100
Total Trucks, U.S.	72,861	92,718	69,495	224,707	1,181,215	1,438,949

CANADIAN TRUCK	Week Ended Apr. 21, 1990	Week Ended Apr. 22, 1989	Week Ended Apr. 14, 1990	Apr. to Date	Jan. 1 to Apr. 21, 1990	Jan. 1 to Apr. 22, 1989
Caravan	3,210	3,191	2,734	9,235	51,496	49,247
Caravan C/V	300	272	258	878	4,024	3,546
Ram Wagon	654	661	545	1,728	7,253	9,248
Ram Van	1,650	1,707	1,375	4,416	18,381	23,771
Total Dodge	5,814	5,831	4,912	16,257	81,154	85,812
Voyager	2,634	2,793	2,249	7,554	42,554	42,921
Total Plymouth	2,634	2,793	2,249	7,554	42,554	42,921
Wrangler	1,500	1,857	1,554	4,627	15,531	25,900
Total Jeep	1,500	1,857	1,554	4,627	15,531	25,900
CHRYSLER MOTORS	9,948	10,481	8,715	28,438	139,509	154,633
FORD MTR (lt. trks.)	2,546	3,613	2,529	8,283	43,531	54,872
Light trucks	3,455	2,477	3,035	9,944	56,448	50,505
Vans	1,410	1,345	997	3,632	13,883	21,903
Total Chevrolet	4,865	3,822	4,032	13,576	70,331	72,408
Light trucks	1,425	2,042	957	3,905	21,484	24,208
Vans	540	765	446	1,533	5,825	10,679
Total GMC	1,965	2,807	1,403	5,438	27,309	34,887
GENERAL MOTORS	6,830	6,629	5,435	19,014	97,640	107,295
NAVISTAR	225	273	183	634	3,295	3,952
Total Trks., Canada	19,549	20,996	16,862	56,369	283,705	320,752
U.S., Canada Trks.	92,410	113,714	86,357	281,076	1,464,920	1,759,701

*—Estimated
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.

C2710-3

Automotive News®

April 30, 1990

©Entire contents copyright 1990, by Crain Communications, Inc. All rights reserved.
Reproduction or use of editorial content in any manner without permission is strictly prohibited.

65th year—$65.00 per year, $2.00 per copy

Benton aims Ford at 'core' business; other types get ax

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — When the new management team is finished pruning Ford Motor Co., the only things the company will make are cars, trucks and money.

Philip E. Benton, Ford's new president, said last week that Ford is divesting itself of its non-core products, such as aerospace, tractors and steel, in an effort to make substantial investments in its core automotive and financial services businesses. The sale of those subsidiaries unravels Ford's decades-long attempt to diversify.

"You have to make up your mind where you want to play your chips," Benton said.

"As we look at it, first, the needs of automotive and financial services are substantial. Secondly, we can make more money. We are demonstrably better at automotive and financial services than we have been in aerospace.

"To be a major player in the tractor and implement business is going to require major investments and we believe that we are better off making those kinds of investments in either financial services or cars and trucks," Benton said.

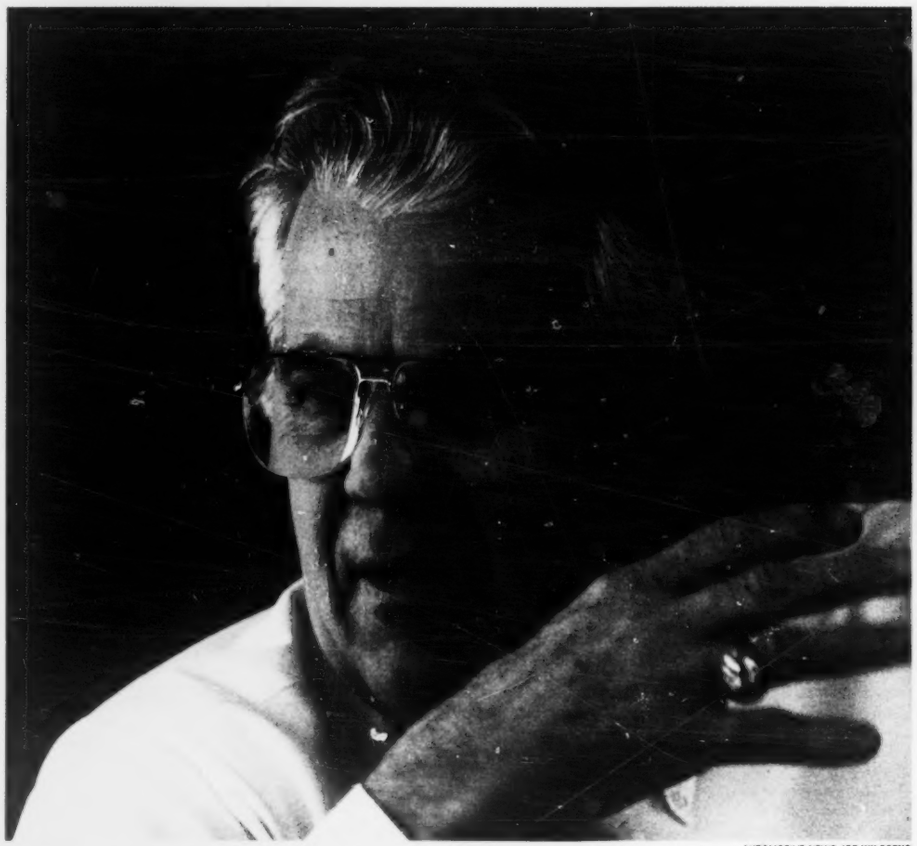
● Ford announced three weeks ago that it is discussing "worldwide arrangements" with Fiat, involving each company's tractor and heavy-truck business.

If a deal is consummated, Ford will sell its Ford New Holland tractor and implement subsidiary to Fiat, and Fiat will sell Ford-branded farm equipment worldwide "for at least a period of time," Benton said.

"The tractor and implement business is screaming for consolidation; worldwide there are too many players and it's got to be narrowed down to fewer players," Benton said.

In heavy trucks, Ford is interested in joint venture products or components (such as engines) with Fiat's Iveco truck division. Neither company wants to sell its heavy-truck businesses, he said.

see BENTON, page 40



AUTOMOTIVE NEWS/JOE WILSSENS

The high cost of developing new vehicles has prompted Ford Motor Co. to sell some diversified subsidiaries, President Philip Benton says. Peter J. Pestillo was named to head those operations, story on Page 45.

Nissan drops Axxess from U.S. market

By Kristine Stiven Breese and Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTERS

Nissan Motor Corp. in U.S.A. is dropping its Axxess, a hybrid wagon/minivan, after just one model year.

Japanese production of U.S. versions has stopped, and the vehicle won't be available after the current 185-day stockpile is sold, said Nissan spokesman Bill Pauli.

"Because of limited production resources in Japan and here, we are now in the process of refocusing our product line to full-line products rather than continuing with niche vehicles like the Axxess," Pauli said.

He said the market for the Axxess has been limited by the fact that it isn't a full-sized van and isn't quite a wagon, either.

The demise of the Axxess illustrates the intense competitiveness of the minivan market. One Nissan dealer said the Axxess, which went on sale 13 months ago, was ren-

see AXXESS, page 45

CHRISTA LEHMANN

Jaguar has worked for years to develop this F-type sports car, the successor to its famed E-type, but Ford may have a different idea.

Ford may kill Jaguar dream to replace revered E-type

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Ford Motor Co. may pull the plug on the Jaguar F-type sports car project that was central to the British firm's product plans before its acquisition by Ford last fall.

The successor to the legendary E-type produced from 1961 to 1975 has been under development for several years. But the car, feverishly anticipated by enthusiasts, is now under the gun as Ford formulates a strategic plan that is expected to be completed by October.

Neither company will discuss new product programs, but a Jaguar official said "everything is being reassessed."

William J. Hayden, a senior Ford of Europe executive, was named in March to succeed long-time Jaguar Chairman Sir John Egan, who had shepherded the F-type project since its mid-1980s inception.

see JAGUAR, page 44

POWER: *Big 3 hope speed, size punch up '91 sales*

By Laura Clark, Mary Connelly, Michelle Krebs, Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTERS

The Big 3 is going back to the future with bigger and more powerful cars as a way to bolster slumping sales and sagging market share, according to preliminary 1991 model information provided fleet customers.

Meanwhile, both Nissan and Toyota will introduce redesigned and refined entry-level vehicles as a way to attract new-car buyers.

Chrysler Corp. will introduce a 3.8-liter V-6 engine, replacing the V-6 it had purchased from Mitsubishi Motors Corp.

Ford Motor Co. ups the standard power on its F-series trucks and Lincoln Town Car, while General Motors fits its new 4.9-liter V-8 in several Cadillacs.

The 1991 model information is provided in a 48-page booklet prepared by LMV Leasing Inc. of Pittsburgh. The booklet is used by fleet operators and administrators in selecting vehicles. More than 200 car, van and light-duty truck models are mentioned.

The booklet highlights the products of the top five automakers ac-

see 1991s, page 42

1991 MODEL FLEET COSTS

Table shows low- and high-cost vehicle in each range of recommended fleet cars (not counting convertibles). Costs shown in cents per mile, based on 24-month/40,000-mile lease, 10% interest, 2% depreciation, $1 a gallon gasoline, all recommended maintenance.

	Total Cost per mile
SUBCOMPACT	
Geo Metro	17.1
Geo Prizm	22.7
COMPACT	
Pontiac Sunbird LE	20.0
Nissan Stanza XE	24.6
MID-SIZED	
Plymouth Acclaim	24.6
Camry Deluxe Wagon	29.3
FULL-SIZED	
Chevy Caprice	27.0
Nissan Maxima	34.5
LUXURY	
Olds Toronado	35.1
Cadillac Fleetwood	51.1

Source: LMV Leasing Inc.

NEWSPAPER

#26J*********5-DIGIT 20814
#03032290B 2#01AN01851 99FZA
DITOR SRI
SSIONAL INFO SERV
4ST-WEST HWY STE8
MD 20814

ZR-1 prices backing down

The ZR-1 Corvette roared into showrooms last fall commanding prices as impressive as its performance figures. Prices are now falling, but not below the $58,995 sticker. Story, Page 2

Talkin' proud

GM workers, retirees are driving force behind sales program

By Arlena Sawyers
AUTOMOTIVE NEWS STAFF REPORTER

Bert Donahue drives a General Motors product and believes others should, too.

So he spends much of his spare time talking up the attributes of GM vehicles and trying to get everyone he meets behind the wheel of a car sold by the No. 1 maker.

His efforts have paid off. Last year, he "sold" 29 GM cars. GM awarded him a jacket for the first sale and a GM pin for each subsequent sale.

Donahue isn't a car dealer, nor a salesman by trade. He's a supervisor of education and training at GM's engine plant in Tonawanda, N.Y., and is one of the many GM employees and retirees participating in the "GM Proud Employee Sales Referral Program."

The corporate-wide voluntary program urges employees to become corporate ambassadors by initiating vehicle sales and spreading good will about GM.

Donahue said he got involved for one reason: "I firmly believe in our product."

The program began three years ago when Chevrolet was introducing its Corsica/Beretta line, said Mark Leddy, Chevrolet-Pontiac-Canada Group civic affairs manager and coordinator of the project.

Employees at five C-P-C plants were so enthusiastic about the cars that they started an informal word-of-mouth promotion.

The informal sales force picked up so much steam that C-P-C awarded GM jackets or pins for every car they helped to sell.

A year later, the program spread to GM's Buick-Oldsmobile-Cadillac Group, and last December it went corporate-wide.

Top management is so pleased that it published a product guide for program participants that includes color pictures of each GM car and truck, its specifications and base price.

Participation is voluntary, and the rewards are tokens. Leddy said GM employees do it because they care about the company, and by doing so they are making an investment in their own futures.

Last year, the extended sales staff helped sell more than 10,000 vehicles.

As a result of the program GM has augmented its dealership sales organization by 825,000, which includes more than 300,000 retirees. Last year, the extended sales staff helped sell more than 10,000 vehicles.

Donahue, a 26-year GM veteran, said prime customers are family members, business associates and members of social organizations of which he is a member.

He said one of the most challenging aspects of his sales pitch is to convince people who have had negative experiences to try the product again. In those cases, he makes himself a liaison between the dealer and customer.

Eleven of his customers were former owners of foreign cars.

Leddy said research indicates that people are more apt to buy a GM product or have positive feelings about GM if encouraged to do so by a friend or relative who works for the company.

Here's how the program works: After discussing the attributes of GM products with a potential customer, the employee refers that person to a GM dealer. The employee also gives the prospect a referral card that is presented to the dealer for validation. The card, which serves as proof of the employee's role in the sale, is returned to GM.

Employees receive their awards and recognition at a ceremony attended by their peers and by top management.

But selling cars is not the program's main thrust, Leddy insists. He says the whole idea is to encourage GM employees and retirees to become company ambassadors while formally recognizing something many of them have been doing for years.

"It's not revolutionary that employees are doing this; what is revolutionary is that they are being recognized," he said.

Hyundai boss outlines plan for revival

By Kristine Stiven Breese
AUTOMOTIVE NEWS STAFF REPORTER

The new head of Hyundai Motor America Inc. has unveiled a four-point plan for reviving the slumping franchise.

Rodney E. Hayden, who took over as executive vice president and chief operating officer in January, outlined the program to the company's 326 dealers two weeks ago.

The strategy includes:

- Boosting dealer profits by giving higher rebates on cars that carry more options.
- Backing that move with a new advertising theme: "World Class Value."
- Creating incentives to limit turnover on dealer sales staffs.
- Having Hyundai's new financing company in operation nationwide by mid-June.

The plan comes on the heels of a 41.4 percent drop in Hyundai sales

see HYUNDAI, page 38

GM signs 1993 death warrant for truck plant

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — With its unions clamoring for increased job security, General Motors continues to slash its excess manufacturing capacity.

GM said last week it will close the Pontiac West truck assembly plant in Pontiac, Mich., which builds the compact S-trucks: the Chevrolet S10 and GMC S15 pickups.

GM plant begins flex planning Page 41

Production will cease at the end of calendar 1993, and the 2,000 hourly workers will be laid off, GM said. GM will try to place the 200 salaried workers at other GM facilities. The truck production will move to a car assembly plant in New Jersey, in effect reducing GM's capacity to make cars.

The most recent closing is part of GM's plan to have its U.S. assembly plants operating at 100 percent capacity by 1992. Its plants are now running at 70 to 80 percent capacity.

GM President Robert Stempel, who becomes chairman Aug. 1, has said an increase in market share to 40 percent — it was 35.6 percent in the first quarter of 1990 — will help boost capacity utilization. But last week's announced closing of Pontiac West shows that plant closings are part of the plan as well.

And that doesn't sit well with the UAW.

see GM PLANTS, page 41

AUTOMOTIVE NEWS JOE WILSSENS

Union leaders criticized GM's decision to close the Pontiac West truck plant in 1993.

INDEX

Around the world	22-25
Auction dates	30
Classifieds	31-38
Digest	44
Incentive watch	46
Late news	8
Legal briefs	27
Letters	14
Opinion	12
Personnel	26
Production	47
Recreation on wheels	16
Sales, car	38

65th year—No. 5337

Advertising Production Department (313) 446-6063
Circulation Department
In Michigan (313) 446-0480
Outside Michigan 1-800-992-9970
Classified Ad Department (313) 446-6065
Display Ad Department (313) 446-6030
Editorial & Business Offices (313) 446-6000

AUTOMOTIVE NEWS (ISSN 0005-1551) is published weekly except semiweekly the fourth week in May at 1400 Woodbridge, Detroit, MI 48207. Second-class postage is paid at Detroit, MI and at additional mailing offices. Postmaster: Send address changes to AUTOMOTIVE NEWS, Circulation Department, 965 E. Jefferson, Detroit, MI 48207.

Volvo revamps world sales setup; U.S. not affected yet

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — AB Volvo's plan to reorganize its national sales companies around the world may lead to a revamping of North American operations.

But though most of Volvo's wholly owned sales companies will undergo changes by Jan. 1, 1991, legal complications will hold up reorganization in the United States indefinitely.

The global reshuffling involves about 10 markets. In most countries, Volvo's national sales operations are grouped under a corporate umbrella rather than split into separate passenger-car and truck units reporting directly to Volvo Car and Volvo Truck in Sweden.

Under the proposed new setup, local car, truck and bus operations will be split into separate companies reporting to respective product group subsidiaries in Gothenburg, Sweden. The Swedish subsidiaries will assume direct operational and financial control in the field.

"This in itself does not affect North America," said a spokesman for Volvo North America Corp. "There are differences here legally and tax-wise, and we don't know if and how it might affect our corporate structure."

But if implemented, current reporting channels in North America would be disrupted. Presently, Volvo North America Corp., of which Bjorn Ahlstrom serves as president and chief executive officer, oversees Volvo Cars of North America and its president and chief executive officer, Joseph L. Nicolato.

"It's a question of ownership and reporting responsibilities," said the spokesman. "Now, the car operations are responsible to Volvo North America. Under the new setup, they would be responsible to (Volvo Car in Sweden)."

Another complicating factor in the United States is the existence of Volvo GM Heavy Truck Corp., in

see VOLVO, page 41

Mitsubishi, Volvo talk Europe venture

TOKYO — Mitsubishi Motors Corp. has agreed to a joint venture in Europe with Volvo AB, according to a report in the *Asahi Shimbum* newspaper. The report said the two agreed to produce passenger cars at Volvo's plant in Belgium starting in 1993. The annual target is 200,000 units, it said.

Mitsubishi said it has been working on a feasibility study with Volvo, as with other possible partners in Europe, but has not made any decision.

Earlier reports indicated Mitsubishi was ready to sign a deal with Fiat Auto S.p.A. But the Asahi report said Mitsubishi had dismissed the idea of teaming up with manufacturers that have products that would directly compete with Mitsubishi's small cars.

According to *Asahi*, the model intended for the Belgium plant would be based on the Mirage subcompact.

— Mary Ann Maskery

GMC bailment pool sales climbing 24% a month

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Despite softness in the RV market, GMC Truck Division has been increasing its bailment pool sales an average of 24 percent monthly during the 1990 model year.

The increase follows the record 38,000 bailment pool vehicles GMC wholesaled in calendar 1989, said Keith Ball, manager of special vehicle sales. The figure includes RV and commercial vehicles. The division doesn't break them out.

Bailment pool accounts are upfit companies that are permitted to purchase chassis from the manufacturer under special arrangements.

Dealers retailed 33,000 of those upfitted vehicles, Ball added, pointing out that there is typically a lag between wholesale and retail deliveries.

Most of GMC's gain last year was in sales of customized Sierra pickups and Suburban sport-utilities. Extra van chassis were difficult to obtain, Ball said.

This year, the division reports gains in all three product segments.

Despite its sales growth, GMC is still constrained in moving vehicles through its bailment accounts. The credit experience of those firms limits the amount they can floorplan for additional new chassis.

"The number of our bailment accounts has not grown to any significant degree," Ball said. "But they are enjoying very good profits and growth with us."

GMC did add several commercial vehicle accounts, including Jursik Truck Equipment Inc. of Highland Park, Mich.; Reading Body Works Inc. of Reading, Pa., and DeJana Truck and Utility Equipment of Kings Park, N.Y.

GMC also added Elcon Industries Inc. of Dallas. Elcon purchased van converter Sherrod Vans of Jacksonville, Fla., and Ponder, Texas. Since Sherrod was already part of GMC's pool system, the division considered Elcon an addition on the commercial side.

Elcon has a commercial upfitting operation, Harbor Inc. of Brea, Calif. It plans to bring Harbor's commercial operation into Sherrod's Florida and Texas plants and also to produce Sherrod's customized vans and other RV vehicles in its California plant.

Since GMC is heading toward buildout of its 1990 models, Elcon's commercial operations won't begin operating as part of the consignment pool system until 1991, the division said.

GMC has not begun running the new four-door Jimmy sport-utility or all-wheel-drive Safari van through its bailment system because of limited production availability.

Glaval Inc., one of GMC's largest van converters, feels the extended Safari will be an "excellent aftermarket conversion," according to William Becker, Glaval vice president of marketing, advertising and consumer relations.

Van conversion sales rebound

Upturn follows stodgy start; Dodge, Chevy inventories dive

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Van conversion sales have picked up speed during the last six weeks after a slow start in January and February.

In March, Dodge retailed 24.5 percent of the big vans in dealer inventories that came from its pool system. That was up from 22.3 percent a year ago.

During February, Dodge retailed only 18 percent of the full-sized consignment-pool vans in its dealer inventories. A year earlier, it had retailed 36 percent of them, according to factory data provided by conversion firms.

Basically, the data indicates that retail sales are growing rapidly. It also indicates that Dodge dealers had about 100 days' supply of full-sized van conversions in inventory.

Dodge still has a $1,500 guaranteed rebate to customers on full-sized van conversions and a $1,000 rebate on full-sized cargo vans. That program ends May 31.

Wholesale inventories of raw Chevrolet van chassis in converters' hands also have been dropping, indicating the strength of dealer demand.

Converters' wholesale inventory of Chevrolet chassis was 84 days at the end of January. That included a 90-day supply of full-sized van chassis and a 70-day supply of Astro van chassis, according to factory reports from converters.

By the end of March, converters' wholesale inventories had dropped to 17.7 days on the full-sized Chevrolet van chassis and 13.7 days for Astro.

Said Jim Greene, Chevrolet assistant RV manager: "We're running to catch up. The second half of the model year will be much stronger than the first half."

While Chevrolet expects to make up some of the sales falloff that occurred earlier this year, it is still anticipating a 10 percent decline in overall wholesale van shipments to converters for the 1990 model year.

Chevrolet expects to wholesale about 90,000 van chassis during the current model year compared to 100,000 a year earlier.

The division still has a $750 rebate to customers on all its full-sized and compact vans, including regular and converted units. That program runs through May 2.

General Motors Acceptance Corp. is offering a special 8.9 percent finance rate on van conversions with 60-month finance contracts compared to a 10.9 percent finance rate for all other Chevrolet products financed over a five-year period.

Meanwhile, van conversion wholesale shipments, as reported by the Recreation Vehicle Industry Association, were down for February and for the first two months of 1990.

Van shipments totaled 14,800 in February, down 17.78 percent from last year's 18,000, according to the RVIA.

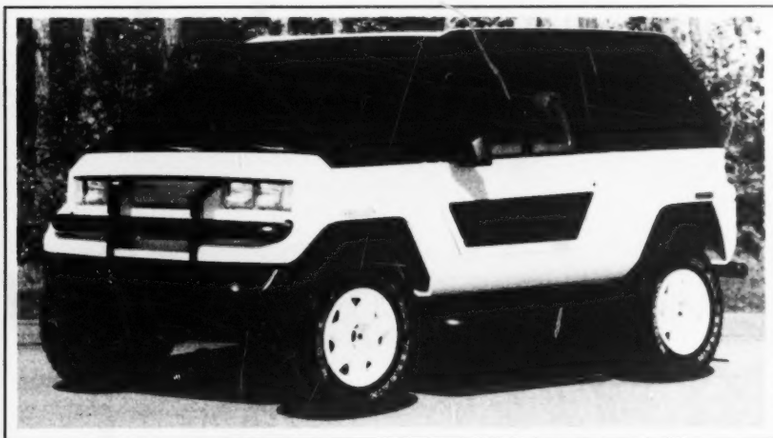
Other RVIA data include:

- Two-month van conversion shipments of 28,600 were off 14.11 percent from 33,300 a year ago.
- Overall, RV shipments of 30,100 were down 14.00 percent in February from 35,000 a year ago.
- Two-month shipments of 61,000 were down 9.50 percent from 67,400 last year.

Recreational Vehicle Wholesale Deliveries

	Feb. 1990	Feb. 1989	% change	2 mos. 1990	2 mos. 1989	% change
Travel trailers	4,000	4,200	+ 4.8	9,300	9,100	+ 2.2
Park Trailers	600	700	-14.3	1,200	1,400	-14.3
Travel trailers—fifth wheel	2,400	2,300	+ 4.3	5,200	5,000	+ 4.0
Folding camping trailers	2,500	2,900	-13.8	5,900	5,900	+ 0.0
Truck campers	800	800	+ 0.0	1,40	1,400	+ 0.0
Towable RV total	10,300	10,900	- 5.5	23,000	22,800	+ 0.9
Conventional (type A)	2,900	3,600	-19.4	5,500	6,700	-17.9
Van Campers (type B)	400	400	+0.0	800	700	+14.3
Chopped vans (all)	1,700	2,100	-19.0	3,100	3,900	-20.5
Motor home total	15,300	17,000	-10.0	32,400	34,100	- 5.0
Van conversions	14,800	18,000	-17.8	28,600	33,300	-14.1
TOTAL ALL RVs	30,100	35,000	-14.0	61,000	67,400	- 9.5

Source: Recreation Vehicle Industry Association



Stylish buggy
ASHA Corp. designed the four-wheel-drive system in the LSV, or Lifestyle Specialty Vehicle. C&C Inc. has purchased the rights to the vehicle.

'92 Ford Club Wagon shakes up converters

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Some Ford van converters are a little apprehensive after seeing Ford's new 1992 models and hearing the automaker's plans for them at their San Diego meeting.

Ford showed its 1992 Econolines and Club Wagons, including a new factory model that some converters took to be very competitive with their own entry-level models.

The new 1992 Club Wagon features four captain's chairs; a new, larger rear sofa bed; rear air conditioner in the headliner for a nice halo effect and other trim and appointments.

Factory officials reportedly plan to produce about 30,000 of those specially trimmed Club Wagon models.

Jerome Mittman, Ford Division RV manager, declined comment on the figure.

He said Ford obviously is updating what it offers its customers and that there are groups of van conversion buyers who prefer to buy the entire conversion package from the factory.

But Mittman foresaw a "continued large market for the distinctiveness and variety that converters offer, which we cannot match."

Ford has no plans to offer unique windows, various seat trims, exterior trims or options like TVs, video tape players or running boards, which are the staple of converters' work.

"We see the majority of (full-sized van/wagon) sales in people-carrying vehicles, which will be van conversions" not Club Wagons, Mittman said.

Gary Soos, vice president of Kentron Inc. of Elkhart, Ind., a major Ford converter through its Premier Editions line, said he felt his colleagues may be overreacting to the Club Wagon.

"It's a version of the Club Wagon, which they've always built," Soos said. "It's a nicer product, yes, than they one they're building now. But the new chassis is also nicer."

RV BRIEFS

Van owners cite seats

DEARBORN, Mich. — A Ford Division survey of van conversion owners about their products shows that more than 95 percent of respondents complained about their seats rocking.

The size of that figure indicates it is an industrywide — and not just Ford converter — problem.

Some manufacturers, such as Starcraft Inc. of Goshen, Ind., have already moved to correct this by installing solid mounted front seat pedestals into their vans.

Robert Wolf, owner of Advanced Creations in Romulus, Mich., feels that solid mount pedestals that won't swivel are the only way to stop the rocking. His company is prototyping such a design.

"As long as you've got a swivel mechanism, you're going to get that play" in the seat, Wolf said.

The new 1992 model regulations, governing front impact damage in vans, will not allow seats to swivel anyway, Wolf added.

Among other things, the 1992 regulations also require three-point shoulder harnesses in the rear.

In redesigning his seats, he feels he is just getting a jump on the new regulation.

Explorer sunroof $250

Webasto Sunroofs Inc. of Rochester Hills, Mich., is supplying the pop-up sunroofs for Ford's new Explorer sport utility.

The sunroofs retail for $250, according to a Ford spokesman.

GM cuts Zimmer loose

CORDELE, Ga. — General Motors Acceptance Corp. has withdrawn its financial sanctions — as well as all leftover Chevrolet chassis — from financially troubled Zimmer Motor Vans Inc.

Thomas A. Pfingst, Chevrolet assistant fleet and RV director, confirmed industry reports that Chevrolet and GMAC had stopped doing business with Zimmer Vans as a result of the company's deteriorating financial condition.

Zimmer has been in various kinds of financial difficulty over the past couple of years.

Last July, the company emerged from Chapter 11 bankruptcy proceedings after the Bankruptcy Court for the Southern District of Florida in Pompano Beach, where parent Zimmer Corp. is headquartered, confirmed its plan for reorganization.

Zimmer has been an authorized van converter for General Motors and Ford Motor Co.

Jerome Mittman, Ford Division RV manager, said, "We know they are having some problems. We worked with them in the past to resolve their difficulties, and we are working now to resolve any concerns."

Mittman said Ford has not dropped Zimmer from its consignment pool system, but that this did not necessarily mean that Zimmer would get more chassis from Ford.

Canadian sales tax could throw monkey wrench into '91 sales

By Steve Mertl
SPECIAL CORRESPONDENT

VANCOUVER, British Columbia — A proposed new Canadian sales tax is causing confusion among Canadian automakers and could play havoc with sales at the beginning of the 1991 model year.

The auto industry has endorsed the 7 percent goods and services tax, which is scheduled to take effect next Jan. 1, because it's expected to help cut production costs and reduce retail prices.

The Big 3 Canadian automakers say the precise effect of the tax on next year's prices won't be known until next fall. Meanwhile, they're in the dark about how consumers will respond and when.

The goods and services tax is the hottest political issue in Canada, discounting the nation's endless constitutional wrangle.

The tax will replace a 13.5 percent sales tax paid by manufacturers. It will not only be lower, but it will also be levied on finished products, both Canadian-made and imported.

That should make durable goods, from cars to refrigerators, less expensive to buyers. But the catch is that the tax will be imposed on a much broader range of hitherto untaxed purchases, including books and some foods, as well as services from renting videos to consulting a lawyer.

The tax legislation passed the House of Commons this spring. It could be delayed in the opposition-dominated Senate, but the Senate doesn't have the power to reject it. Nationwide anger over the tax has plunged the Progressive Conservative government's popularity to an approval rating of 15 percent, the lowest for a federal government in Canadian polling history.

The delay means the government will probably be fighting off frontal assaults against the goods and services tax when it is expected to be explaining the tax to Canadians.

Jack Clissold, Ford of Canada's sales and marketing vice president, said Ottawa should try to cut through the confusion to explain the advantages of the tax, such as on vehicle purchases.

"As far as I'm concerned, the government hasn't done a lot to reduce the fog index," said Clissold.

Clissold and Barry Kuntz, a General Motors of Canada spokesman, said they think the tax will allow retail price cuts of about 3 percent, which they expect to pass on to consumers.

Chrysler Canada spokesman Walter McCall wouldn't quantify the potential cut, but he and Kuntz said factors such as equipment changes and upcoming contract talks with the Canadian Auto Workers could trigger price increases in the new year.

Kuntz said it's possible that Canadians, faced with such uncertainty, might rush to dealerships this fall before the new tax takes effect.

"They might say a bird in the hand is worth two in the bush," he said.

But Dennis DesRosiers, president of DesRosiers Automotive Research Inc. in Toronto, thinks the opposite response is more likely: Buyers may delay purchases until the promised price cuts show up in January, gutting the autumn new-car market.

"The threat to the industry is in the transition," he said. "It could be very, very disruptive (this fall)."

CANADIAN CAR AND TRUCK SALES

Domestic cars	March 1990	March 1989	3 mos., 1990	3 mos., 1989
General Motors	29,673	29,736	65,452	68,209
Ford	14,349	16,656	33,613	38,268
Chrysler	13,136	11,532	26,303	25,758
Honda	3,133	2,536	7,415	7,300
Hyundai	452	0	1,406	0
Volvo	306	321	716	877
North American car total	**61,049**	**60,781**	**134,905**	**140,412**
Import cars				
Toyota	7,326	7,323	16,823	16,193
Honda	6,537	4,618	14,651	9,970
Volkswagen	3,526	2,548	7,336	5,943
Mazda	3,209	2,703	7,195	6,038
Nissan	2,627	2,977	5,678	6,100
Chrysler	1,566	2,035	3,990	4,751
GM	1,426	2,784	5,072	6,019
Hyundai	1,381	2,182	3,550	6,385
Suzuki	931	824	1,986	1,757
Subaru	848	433	1,833	1,204
Ford	734	886	1,812	1,579
Mercedes-Benz	356	345	900	864
BMW	284	401	764	1,095
Volvo	231	234	592	656
Jaguar	97	151	285	397
Saab	82	116	178	361
Lada	55	47	170	161
Import car total	**31,216**	**30,607**	**72,815**	**69,473**
TOTAL — ALL CARS	**92,265**	**91,388**	**207,720**	**209,885**
North American trucks (including vans)				
GM	16,016	14,386	34,921	34,689
Ford	13,045	13,114	29,469	32,452
Chrysler	8,984	8,862	24,271	22,824
North American truck total	**38,045**	**36,362**	**88,661**	**89,965**
Import trucks (including vans)				
Mazda	1,811	1,770	4,265	4,058
Nissan	1,698	1,269	3,901	2,994
Toyota	1,542	1,412	4,022	3,505
GM	1,045	697	3,020	1,981
Suzuki	795	843	1,787	1,823
Chrysler	256	199	583	646
Volkswagen	82	66	151	125
Lada	10	16	22	50
Import truck total	**7,239**	**6,272**	**17,751**	**15,182**
TOTAL — ALL TRUCKS	**45,284**	**42,634**	**106,412**	**105,147**
TOTAL — CARS, TRUCKS	**137,549**	**134,022**	**314,132**	**315,032**

ARE YOU SEEING SPOTS BEFORE YOUR EYES?

TOMAHAWK'S FULL SERVICE
SPOT FREE CAR WASH ON WHEELS

☐ Please have a Tomahawk Representative call
☐ Please send more information in the mail

Name _____
Title _____
Company _____
Tel: _____
Address _____
City _____ State _____ Zip _____

Mail To: TOMAHAWK, INC.
4690 N. Powerline Rd., Pompano Beach, FL 33073

Just Call and Say "NO SPOTS" !
1-800-336-HAWK
In CA 800-433-6712 • In FL (305) 972-9599
National and International
Distributor Inquiries Invited

March sales edge upward; Canada steady for quarter

By Bill Vance
SPECIAL CORRESPONDENT

TORONTO — The pace of Canadian new car and truck sales picked up a little steam in March.

Total car and truck sales edged ahead 2.63 percent from a year ago, to 137,549. That brought the first quarter to a close at about the same level as a year ago. Sales through March were down just 0.29 percent, or 900 vehicles.

Among the Big 3, General Motors of Canada dropped slightly, selling 29,673 cars in March. Ford of Canada's sales slid 13.85 percent. But Chrysler Canada's 13.91 percent gain helped the Big 3 as a group show a 0.44 percent monthly rise.

Still, total year-to-date sales of North American-made cars were down 3.92 percent, to 134,905.

Chrysler gave credit for its strong showing to its Acclaim/Spirit twins, which enjoyed their strongest monthly performance since being introduced in 1988.

Among the importers, Honda scored big on both its imported and North American-built cars. Imported Honda products were up 41.55 percent, while North American Hondas were up 23.54 percent. Combined Honda units were ahead 35.17 percent.

Subaru almost doubled its sales over March 1989, up from 433 to 848. Volkswagen enjoyed a 38.38 percent increase, thanks to its pricing policy and the new Passat sedan and wagons. Total imported cars eked out a 1.99 percent gain for the month, and 4.81 percent for the year.

Truck sales also held up well for the month, rising 6.22 percent.

Among the Big 3, GM had an 11.33 percent gain while Ford and Chrysler held steady. The overall Big 3 gain was 4.63 percent.

Bill Atkinson, GM's vice president of marketing, said the company was particularly pleased with the performance of its C-K trucks, mid-sized vans, two- and four-door Blazer and Jimmy sport-utilities and Chevrolet Lumina and Pontiac Trans Sport vans.

Truck importers fared better than the North American makers by posting a 15.41 percent increase. GM again set the pace, with a 49.93 percent rise.

India's Maruti hopes to double exports

NEW DELHI, India — Maruti Udyog Ltd., the state-owned automobile manufacturer, has drawn up an ambitious program to export 10,000 vehicles by March 1991, says R.C. Bhargave, chairman and managing director.

The target is almost double last year's export of 5,100 vehicles.

Maruti, which hopes to earn $40 million in foreign exchange through exports this year, sells its products overseas only for hard currency.

Maruti also proposes to submit a project to the government to increase manufacturing capacity to about 250,000 a year.

It produced 117,400 vehicles in 1989-90, which brought total income of 12.45 billion rupees ($870 million).

CLASSIFIEDS

CARS WANTED

ATTENTION
LINCOLN MERCURY DEALERS
We Want to Buy Your Inventory
Call: Jim Haynes at
502-895-5295

ATTENTION
RENTAL OPERATORS
We want to purchase your at risk and non-repurchase inventory.
Call Jim Haynes at
502-895-5295

Wanted
CORVETTE ZR-1'S & ALL GRAY MARKET VEHICLES
Top Dollar Paid
World Imports
716-377-5020
Fax: 716-377-2831

WANT TO BUY
MERCEDES-BENZ
1990 500SL's
1990 300SL's
Call: Jerry Glauser
813-924-1211

BELLO MOTORS
Used Police Cars
(718) 805-0870
"America's Used Police Car Headquarters"

CARS WANTED

TOYOTAS, OVERSTOCKED? We will pay over invoice plus freight for new Corolla and Camry sedans and wagons. Must have RDRs. Call Mr. Lee, (315) 789-4711.

WE BUY ALL YEARS
USED POLICE CARS
WOODSIDE MOTORS
718-784-3111
Call Us Last

Wanted
USED POLICE CARS
Highest prices paid in U.S.A.
Dealer references furnished
We Bid, We Buy
DIVERSIFLEET INC.
1•800•325•8645
Call Joe Vaught *anytime*

LINCOLN/MERCURY DEALERS
WE WANT TO BUY YOUR 1990 GRAND MARQUIS INVENTORY
Call: John Demyanovich
512-341-8841

MERCEDES, BMW, PORSCHES, Volvos wanted. Will pick up anywhere. John Weiss, Brentwood Ferrari, St. Louis, 314-862-9501.

WE WANT TO BUY YOUR INVENTORY
BLUE GRASS HYUNDAI
Call Jim Haynes
502-895-5295

WE BUY FOR CASH
NEW ZR-1 CORVETTES
Autobern Leasing Corp.
Fax: 201-984-9127; Ph: 201-285-1330

WE'LL PAY $2500 OVER INVOICE FOR 1991 LAND CRUISERS
Call Greg Sconzo (212) 399-9600
POTAMKIN TOYOTA

WANT TO BUY
NEW FERRARI'S
Testarossa's, 328 GTS, Mondials (US Models Only)
CLASSIC FERRARI'S
Boxers, Dinos, 250 GT, 365 GTB - All Exotics
CLASSIC MERCEDES
Mercedes 300 SL Gullwing, Roadsters, Exotic Models
ROLLS ROYCE
Silver Cloud, Jaguar Roadsters - XK 140's & XKE's
1989 560 SL'S
1990 560 SL'S
1989 911 Turbos
Coupes & Cabs, Slant Nose
TOUCH OF CLASS LEASING
201-549-6600
Ask for Bob or Ray

CARS FOR SALE

CAMERO
NATIONAL LIQUIDATORS
IMMEDIATE DELIVERY • LOW MILEAGE
FINE QUALITY
1988, 1989 & '90
★ All Models ★
FORD • CHRYSLER
GENERAL MOTORS
TRUCKS • IMPORTS
CALL **(813) 237-5422**
Rick Marra
TAMPA, FL

You can get spirited bidding, higher prices and more cars sold when you advertise your auction in Automotive News Auction Directory.

Because the Automotive News Auction Directory is read by exactly the people who attend your auctions. In fact, Automotive News goes to virtually every dealership in the country. Why settle for a small local attendance when you can get a big regional — or even national — attendance with an ad in the Auction Directory.

Big 3 car-truck sales tumble 18% in mid-April; transplants up 20%

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

As the Big 3 automakers suffered double-digit losses in April's second 10-day sales period, nearly all transplant operations posted sales gains.

Sales of General Motors, Ford Motor Co. and Chrysler Corp. cars fell 22.46 percent from the same period last year.

Meanwhile, transplant auto sales were up 20.18 percent from the 1989 period.

The only transplant to show a sales loss was Mazda.

Total car sales in the United States for the mid-April period totalled 191,790, down 18.62 from last year.

U.S. truck sales fared no better in mid-April.

The total was 114,608 down 15.13 percent from 1989.

The combined car-truck figure of 306,398 was 17.35 percent below last year's 370,699.

Chrysler's total vehicles sales suffered the most, down 36.17 percent to 39,085 deliveries from 61,234 in 1989.

Car sales dropped 38.45 percent, and truck deliveries fell 33.93 percent.

GM was down the least of the Big 3. Its car-truck total dipped 15.86 percent — 18.92 percent for cars and 9.64 percent for trucks.

Total car-truck sales in April's second 10-day period for GM equalled 138,965, down from 165,157.

Ford's overall sales dip was 18.05 percent. Car sales were off 21.17 percent, and trucks were down 13.15 percent.

In 1989, Ford tallied 120,067 combined car-truck sales for the period, and this year racked up just 98,390.

Among the transplant operations, Honda posted the most modest gain of 6.72 percent. Still, with 12,084 deliveries for the period, Honda took top honors among the foreign producers of cars in the United States.

Car sales for Mitsubishi and Toyota showed strong gains in mid-April.

Mitsubishi's sales of cars from Diamond-Star Motors rose 63.75 percent.

And Toyota's sales of cars from its Georgetown, Ky., and Fremont, Calif., manufacturing facilities were 55.26 percent above last year's.

Nissan showed significant sales gains for its U.S.-built cars and truck.

Combined sales were up 31.52 percent over last year. Cars rose 19.80 percent, and trucks jumped 39.05 percent.

Sales of vehicles produced at the new Subaru-Isuzu Automotive plant in Lafayette, Ind., totaled 108 Subaru cars and 255 Isuzu trucks.

The only sales loser among the transplants was Mazda. In the second 10-day period of April, sales of Mazda's U.S.-built cars totaled 571 MX-6 and 626 models, down 55.67 percent from 1,288 a year ago, when only the MX-6 was built in the United States.

10-DAY SALES
DOMESTIC BUILT

	Apr. 11-20, 1990	Apr. 11-20, 1989
CARS		
Eagle	891	1,318
Chrysler	4,362	6,889
Dodge	7,423	13,680
Plymouth	6,016	8,491
CHRYSLER MTRS.	**18,692**	**30,358**
Ford	40,375	51,045
Lincoln	7,290	7,580
Mercury	10,203	14,786
FORD MOTOR	**57,868**	**73,411**
Buick	17,008	17,378
Cadillac	5,618	9,882
Chevrolet	35,937	42,196
Oldsmobile	13,116	20,321
Pontiac	16,898	20,885
GENERAL MTRS.	**89,721**	**110,662**
HONDA	**12,084**	**11,323**
MAZDA	**571**	**1,288**
MITSUBISHI	**1,143**	**698**
NISSAN	**2,323**	**1,939**
SUBARU	**108**	**—**
TOYOTA	**9,280**	**5,977**
U.S. CAR TOTAL	**191,790**	**235,666**
TRUCKS		
Chrysler	72	—
Dodge	12,079	17,224
Jeep	4,236	7,872
Plymouth	4,006	5,770
CHRYSLER MTRS.	**20,393**	**30,866**
FORD MOTOR	**40,522**	**46,656**
Chevrolet	37,802	43,050
GMC	9,641	11,445
Oldsmobile	752	—
Pontiac	1,049	—
GENERAL MTRS.	**49,244**	**54,495**
ISUZU	**255**	**—**
NISSAN	**4,194**	**3,016**
U.S. TRK. TOTAL	**114,608**	**135,033**
U.S. CAR-TRUCK TOTAL	**306,398**	**370,699**

There were 9 selling days in the period this year and last.

HYUNDAI

FROM PAGE 3

during the first quarter.

The Korean nameplate was a smash hit after its U.S. launch in 1986, peaking at 264,282 sales in 1988. But sales fell by 30.6 percent last year, as Hayden's two predecessors left the company within four months.

Hayden's address, via teleconference, was his first to the nationwide Hyundai dealer body as a whole. One of his missions will be to reposition Hyundai's image.

Shortly after taking the job, Hayden "got a definite feeling that the image was 'cheap price,' " he said in an interview. "I wanted to change that to 'quality that was affordable.' "

To that end, Hayden has introduced a plan to have consumer rebates be based on the retail price of the car. The more expensive the car, the bigger the cash-back offer. The move is expected to help dealer profits by promoting higher-priced models.

For example, 1989 and 1990 Excels that list above $10,000 will include a $1,000 rebate. An $8,000 Excel yields $850 cash back, and those under $8,000 give $500 to the buyer.

A similar plan applies to Hyundai's Sonata, where rebates on fully-loaded versions can reach $1,700. The programs will run through the first week of June.

A third Hyundai model, a sporty coupe known as the Scoupe, is expected to reach dealerships in June.

The rebate plan is part of a "featured vehicles" program that will be at the heart of Hyundai's new advertising campaign. New television, magazine and newspaper ads will promote cars with lots of options and, therefore, bigger rebates.

> This was the best communication we've had from Hyundai in over a year.
>
> **Rick Case**
> Hyundai dealer

"World Class Value" is the new theme for national and dealer association advertising. Hayden says that the old advertising tag, "Cars that make sense," hasn't been dropped for good, but it's clear he wants to emphasize value over price.

The visual and audio components of the ads will focus on content such as automatic transmission, AM/FM stereo cassette and cruise control. There will be no mention of a rebate in the ads, although the advertised price will be list price minus the rebate.

Nationally, Hyundai will increase its advertising presence, with emphasis on prime-time TV and magazines, such as *People*, *Time* and *Newsweek*. Hyundai also announced a new 50/50 co-op program for local dealer ads. The amount of Hyundai's 50 percent contribution will vary with the dealer's ability to meet sales goals.

The incentive program to stem dealer sales staff turnover will include cash and merchandise awards. They will increase as sales volume increases and term of employment lengthens. Hyundai will reveal more details in May.

Hayden told dealers that Hyundai Motor Finance Co. will be online nationally by June. The unit, which was launched earlier this year, will offer retail and floorplan finance programs.

Dealers say the finance company is vital to their and the company's health.

"It's been hard to get the kind of financing we need from banks and lending institutions, because the credit on many past buyers was weak and the repossession rate for Hyundai has been extremely high," says Bill Crowther, general manager at Augusta Hyundai in Augusta, Georgia. "This finance company is paramount to Hyundai's long-term viability.

Dealers gathered in San Francisco, Houston, Atlanta, Baltimore and Chicago to hear Hayden's message. Hayden spoke from Newport Beach, Calif., where he and another group of dealers were assembled.

"This was the best communication we've had from Hyundai in over a year," said Rick Case, a multi-franchise dealer with Hyundai stores in Houston, Atlanta and Ft. Lauderdale, Fla. "The finance company is out to help us sell cars, not make money on its own, so it's in line with our needs."

"I'm jumping in with both feet," Case added. "I'm giving my financing business to the finance company. I'll take full advantage of the co-op, and I'm going to use their retail advertising."